

BANK **FREQUENTLY ASKED QUESTIONS**

Payment of Pension to Government Pensioners Updated as on June 01, 2015 Scheme for Payment of Pension to Government Pensioners by Authorised Banks. The Reserve Bank of India (the Reserve Bank) oversees disbursement of pension by its agency banks in respect of all Central Government Departments and some State Governments. In the process, it receives queries / complaints from pensioners in regard to fixation, calculation and payment of pension including revision of pension/Dearness Relief, transfer of pension account from one bank branch to another, etc. The Reserve Bank has analyzed the queries / complaints, and put them in the form of answers to Frequently Asked Questions here. It is hoped that these will cover most of the queries/ doubts in the minds of pensioners.

1. Can the pensioner draw his/ her pension through a bank branch?

Yes. Even the Government employees earlier drawing their pension from a treasury or from a post office have the option to draw their pension from the authorized bank's branches.

2. Who is the pension sanctioning authority?

The Ministry/ Department /Office where the Government servant last served is the pension sanctioning authority. The pension fixation is made by such authority for the first time and thereafter the re-fixation of pay, if any, is done by the pension paying bank based on the instructions from the concerned Central/ State Government authority.

3. Is it necessary for the pensioner to open a separate pension account for the purpose of crediting his/ her pension in authorized bank?

The pensioner is not required to open a separate pension account. The pension can be credited to his/her existing savings/ current account maintained with the branch selected by the pensioner.

4. Can a pensioner open a Joint Account with his/ her spouse?

Yes. All pensioners of the Central Government Pensioners and those State Governments which have accepted such arrangement can open Joint Account with their spouses.

5. Whether Joint Account of the pensioner with spouse can be operated either by "Former or Survivor" or "Either or Survivor".

The Joint Account of the pensioner with spouse can be operated either as "Former or Survivor" or "Either or Survivor".

6. Whether a Joint Account can be continued for family pension after death of a pensioner?

Yes, the banks should not insist on opening of a new account in case of Central Government pensioner if the spouse in whose favour an authorization for family pension exists in the Pension Payment Order (PPO) is the survivor and the family pension should be credited to the existing account without opening a new account by the family pensioner for this purpose.

7. What is the minimum balance required to be maintained in the pension account maintained with the banks?

RBI has not stipulated any minimum balance to be maintained in pension accounts by the pensioners. Individual banks have framed their own rules in this regard. However, some banks have also permitted zero balance in the pensioners' accounts.

8. Who sends the Pension Payment Orders (PPOs) to the authorized bank branch?

The concerned pension sanctioning authorities in the Ministries /Departments/ State Governments forward the PPOs to bank branches wherefrom the pensioner desires to draw his/her pension. However, on implementation of CPPCs, pension sanctioning authorities have gradually started sending PPOs to the CPPC of the bank instead of bank branch.

9. When is the pension credited to the pensioner's account by the paying branch?

The disbursement of pension by the paying branch is spread over the last four working days of the month depending on the convenience of the pension paying branch except for the month of March when the pension is credited on or after the first working day of April.

10. Can a pensioner transfer his/ her pension account from one branch to another branch of the same bank or to the branch of another bank?

(a) Pensioner can transfer his/ her pension account from one branch to another branch of the same bank within the same centre or at a different centre;

(b) He/ She can transfer his/ her account from one authorized bank to another within the same centre (such transfers to be allowed only once in a year);

(c) He/ She can also transfer his/ her account from one authorized bank to another authorized bank at a different centre.

11. What is the procedure for payment of pension in the case of the transfer of PPO to another branch or bank, as the case may be?

Pension will be paid for three months on the basis of the photocopy of the pensioner's PPO at the transferee (new) branch from the date of the last payment made at the transferor (old) branch. Both the branches (old and new) are required to ensure that all the required documents are received by the transferee branch within these three months.

12. Is it necessary for the pensioner to be present at the branch of the bank along with documents for the purpose of identification before commencement of pension?

Yes. Before the commencement of pension, a pensioner has to be present at the paying branch for the purpose of identification. The paying branch shall obtain the specimen signatures or the thumb/toe impression from the pensioner.

13. What is the procedure to be followed by the bank branch if the pensioner is handicapped / incapacitated and is not in a position to be present at the paying branch?

If the pensioner is physically handicapped/incapacitated and unable to be present at the branch, the requirement of personal appearance is waived. In such cases, the bank official visits the pensioner's residence/hospital for the purpose of identification and obtaining specimen signature or thumb/toe impression.

14. Has the pensioner got right to retain half portion of the PPO for record and to get it updated from paying branch whenever there is a change in the quantum of pension due to revision in basic pension, dearness relief, etc.?

Yes. The pensioner has right to retain half portion of the PPO for record and whenever there is a revision in the basic pension/Dearness Relief (DR), etc. the paying branch has to call for the pensioner's half of the PPO and record thereon the changes according to government orders/notifications and return the same to the pensioner.

15. Whether the paying branch has to maintain a detailed record of pension payments made by it in the prescribed form?

Yes. The pension paying branch is required to maintain a detailed record of pension payments made by it from time to time in the prescribed form duly authenticated by the authorized officer.

16. Can the pension paying bank recover the excess amount credited to the pensioner's account?

Yes. The paying branch before commencement of pension obtains an undertaking from the pensioner in the prescribed form for this purpose and, therefore, can recover the excess payment made to the pensioner's account due to delay in receipt of any material information or due to any bonafide error. The bank also has the right to recover the excess amount of pension credited to the deceased pensioner's account from his/her legal heirs/nominees.

17. Is it compulsory for a pensioner to furnish a Life Certificate / Non-Employment Certificate or Employment Certificate to the bank in the month of November? If so, how can this requirement be complied with?

Answer: Yes. The pensioner is required to furnish a Life Certificate / Non – Employment Certificate or Employment Certificate to the bank in the prescribed format in the month of November every year to ensure continued receipt of pension without interruption. The pensioner can also present himself / herself at any branch of the pension paying bank for being identified for issue of life certificate. In case a pensioner is unable to obtain a Life Certificate on account of serious illness / incapacitation, bank official will visit his / her residence / hospital for the purpose of obtaining the life certificate.

There have been complaints that life certificates submitted over the counter of pension paying branches are misplaced causing delay in payment of monthly pensions. In order to alleviate the hardships faced by pensioners, agency banks were instructed to mandatorily issue duly signed acknowledgements. They were also requested to consider entering the receipt of life certificates in their CBS and issue a system generated acknowledgement which would serve the twin purpose of acknowledgement as well as real time updation of records. A pensioner having Aadhar number can alternatively submit Jeevan Pramaan, a digital life certificate introduced by the Government of India. For obtaining this, he / she will have to enrol and biometrically authenticate himself / herself by downloading the application generating digital life certificate from the website jeevanpramaan.gov.in or other means described on the website. Once digital life certificates in the form of Jeevan Pramaan are fully implemented, pension paying branches will be able to obtain information about the digital life certificate of their pensioner customers by logging on to the website of Jeevan Pramaan and searching for the certificate or by downloading through their Core Banking Systems. Pensioners will also be able to forward to their bank branches by email/sms the relative link to their digital life certificate.

18. Can a pensioner be allowed to operate his / her account by the holder of Power of Attorney?

The account is not allowed to be operated by a holder of Power of Attorney. However, the cheque book facility and acceptance of standing instructions for transfer of funds from the account is permissible.

19. Who is responsible for deduction of Income Tax at source from pension payment?

The pension paying bank is responsible for deduction of Income Tax from pension amount in accordance with the rates prescribed by the Income Tax

authorities from time to time. While deducting such tax from the pension amount, the paying bank will also allow deductions on account of relief to the pensioner available under the Income Tax Act. The paying branch, in April each year, will also issue to the pensioner a certificate of tax deduction as per the prescribed form. If the pensioner is not liable to pay Income Tax, he should furnish to the pension paying branch, a declaration to that effect in the prescribed form (15 H).

20. Can old, sick physically handicapped pensioner who is unable to sign, open pension account or withdraw his/ her pension from the pension account?

A pensioner, who is old, sick or lost both his/her hands and, therefore, cannot sign, can put any mark or thumb/ toe impression on the form for opening of pension account. While withdrawing the pension amount he/she can put thumb/toe impression on the cheque/withdrawal form and it should be identified by two independent witnesses known to the bank one of whom should be a bank official.

21. Can a pensioner withdraw pension from his/ her account when he/she is not able to sign or put thumb/toe impression or unable to be present in the bank?

In such cases, a pensioner can put any mark or impression on the cheque/ withdrawal form and may indicate to the bank as to who would withdraw pension amount from the bank on the basis of cheque/withdrawal form. Such a person should be identified by two independent witnesses. The person who is actually drawing the money from the bank should be asked to furnish his/her specimen signature to the bank.

22. When does the family pension commence?

The family pension commences after the death of the pensioner. The family pension is payable to the person indicated in the PPO on receipt of a death certificate and application from the nominee.

23. How the payment of Dearness Relief at revised rate is to be paid to the pensioners?

Whenever any additional relief on pension/family pension is sanctioned by the Government, the same is intimated to the agency banks for issuing suitable instructions to their pension paying branches for payment of relief at the revised rates to the pensioners without any delay. The orders issued

by Government Departments are also hosted on their websites and banks have been advised to watch the latest instructions on the website and act accordingly without waiting for any further orders from RBI in this regard.

24. Can pensioners get pension slips?

Yes. As decided by the Central Government (Civil, Defence & Railways), pension paying banks have been advised to issue pension slips to the pensioners in prescribed form when the pension is paid for the first time and thereafter whenever there is a change in quantum of pension due to revision in basic pension or revision in Dearness Relief.

25. Which authority the pensioner should approach for redressal of his/her grievances?

A pensioner can initially approach the concerned Branch Manager and, thereafter, the Head Office of the concerned bank for redressal of his/her complaint. They can also approach the Banking Ombudsman of the concerned State in terms of Banking Ombudsman Scheme 2006 of the Reserve Bank of India (details available at the Bank's website www.rbi.org.in) This is applicable only in respect of complaints relating to services rendered by banks. For other issues, the complainant will have to approach the respective pension sanctioning authority.

26. Where can a pensioner get information about the changes in the pension/Dearness Relief or any pension related issue?

The pensioner can visit the Official Website of the concerned Government Department as also Reserve Bank of India Website (www.rbi.org.in) to get the information about pension related issues.

27. Whether a pensioner is entitled for any compensation from the agency banks for delayed credit of pension/ arrears of pension?

Yes. A Pensioner is entitled for compensation for delayed credit of pension/arrears thereof at the fixed rate 8% and the same would be credited to the pensioner's account automatically by the bank on the same day when the bank affords delayed credit of such pension / arrears etc without any claim from the pensioner.