

4.7 Pension Payments

4.7.1 Introduction

4.7.1.1 Procedures described in the provisions of any rule contained in the Civil Service Regulations or of any departmental regulations issued by, or under the authority of, the President shall be applicable to pensions.

4.7.1.2 This Section covers the pension payments in relation to all ex-employees (past employees), who were in the civil service of the AJ&K Government AJ&K Council..

4.7.2 Due date

4.7.2.1 The monthly pension shall be paid on the first working day of the following calendar month, being the due date of payment. Where an employee is retired during a month, the pension payment for that month is allocated on a working day basis.

4.7.3 Payment by direct credit

4.7.3.1 The normal method of payment of pension shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that pensioners have access to their pension on the due date. Moreover, direct credit has tangible advantages, over payment by cheque, against risks of theft or fraud.

4.7.3.2 For the purpose of enabling pension payments to be made by direct credit, the pensioner shall furnish to DAO/AG a payment authority nominating the account with a bank to which pension payment may be credited. The authority shall specify the name and branch of the bank, the full title of the nominated account and the account number.

4.7.3.3 Where a pension is paid through direct credit transfer, the pensioner shall personally visit the relevant DAO/AG every three months and present his/her "Pension Book" and "National Identity Card". The delegated officer in the DAO/AG shall certify that the pensioner is alive, and shall sign, date and stamp the Pension Book for the last three months. At the same time the officer shall update the pension records.

4.7.4 Payment by cheque

4.7.4.1 If the pensioner elects to be paid by cheque instead of payment by direct credit transfer, the pension cheque shall be mailed to the pensioner by registered post.

4.7.4.2 Where a pensioner is paid by cheque, he/she shall furnish to the DAO/AG a payment authority nominating the address to which cheque may be posted.

4.7.4.3 The pension cheques shall be in the name of the pensioner and shall be crossed and marked "Not Negotiable".

4.7.4.4 Only official Government issued cheques shall be used for pension payments and shall be so marked. The pension cheque shall only be presented at the designated branch of the National Bank of Pakistan as agreed between the pensioner and the DAO/AG office.

4.7.4.5 The pensioner shall personally present the pension cheque, along with his/her Pension Book and National Identity Card, at the designated branch of the National Bank of Pakistan. The bank officer shall cash the pension cheque after certifying the identity of the pensioner, and shall sign, date and stamp the Pension Book for the month.

4.7.5 Pension Payment Order (Pension Book)

4.7.5.1 The Pension Book shall be issued by the DAO (for non- gazetted staff) and by the Accountant General (for gazetted staff).

4.7.5.2 The Pension Book shall include:

- a specimen signature of the pensioner. For illiterate pensioners, his/her thumb impression from the left hand
- the specimen signature and thumb impression shall be duly attested by the head of the office concerned or by some other delegated officer
- a certified copy of the pensioner's photograph in passport size shall be laminated on the Pension Book.

4.7.5.3 The Pension Book shall state if pension payment is made by direct credit or by cheque (through a nominated bank).

4.7.5.4 On renewal of the Pension Book, the old Pension Book shall be retained by the Accountant General.

4.7.6 Personal appearance of pensioner

4.7.6.1 Where pension is paid through direct credit transfer, the pensioner shall personally visit the relevant DAO/AG every three months. In the case of payment

by cheque, he/she shall personally present the pension cheque at the designated bank branch.

4.7.6.2 The above rule can be relaxed by the Accountant General or his/her delegated authority where the pensioner is ill or disabled or for medical reason incapable of managing his/her own affairs. In such circumstances the pensioner shall receive his/her pension through a representative upon production of a life certificate signed by a delegated government officer.

4.7.6.3 A pensioner is exempted from personal appearance if he/she draws his/her pension through a representative agent who has executed a bond to refund overpayments and produce at least once a year a life certificate signed by a delegated government officer.

4.7.6.4 If a pensioner does not appear personally or produce a life certificate, as described in above Direction 4.7.6.1 to 4.7.6.3, his/her further pension payment shall be stopped by the DAO/AG until such time the pensioner comply with the above Directions.

4.7.7 Overseas pension payment.

4.7.7.1. Where a pensioner is resident in another country, the pension payment shall be made through the Foreign Mission concerned under such general or special orders as the Government may issue in this behalf.

4.7.7.2. A pensioner may also elect to draw his/her pension at designated bank branch of NBP through a duly authorised agent who must either produce a certificate signed by a delegated government officer on each occasion, that the pensioner was alive on the date to which his/her pension is claimed, or execute a bond to refund overpayments and produce such certificate at least once a year.

4.7.8 Gratuities

4.7.8.1 Gratuities shall only be paid on the authority received through the Accountant General, to whom the sanction is communicated in writing by the delegated authority.

4.7.8.2 Gratuities shall either be paid by direct credit or by cheque to the person on his/her personal appearance, as described in above Sections.

4.7.9 Undrawn Pension and Arears

4.7.9.1 Unless the Government by general or special orders directs otherwise, a pension remaining undrawn for more than one year shall cease to be payable. If the pensioner afterwards appears personally, with his/her Pension Book and National Identity Card, the DAO or the AG who authorised the pension payment

in the first instance may make the payment after satisfying himself/herself that the pension is payable.

4.7.9.2 If a pension remains undrawn for three years, it cannot be paid without the authority of the Accountant General.

4.7.9.3 A gratuity payment order shall remain in force for one year only, from the date of its issue.

4.7.10 Death of pensioner

4.7.10.1 A pension can be drawn for the day of the pensioner's death.

4.7.10.2 On the death of a pensioner, payment of any arrears actually due may be made to his/her heirs, provided that they apply within one year of his/her death. They cannot be paid thereafter without the sanction of a delegated authority, to be obtained through the Accountant General.

4.7.10.3 If the arrears do not exceed Rs 5,000 and the case presents no peculiar features, the Accountant General may approve the arrears on his/her own authority.

4.7.10.4 Any person claiming as the heir of a deceased pensioner shall be required to produce the pensioner's Pension Book and the copy of the order in which the sanction to the pension was communicated to the heir.

4.7.12 Processing of pension application

4.7.12.1 The concerned employee shall prepare the pension application, in prescribed form, (form 4N) and submit it to the Pension Section of the DAO/AG office.

4.7.12.2 In the Pension Section, the pension officer shall record the pension application in the "Pension Application Register". The officer shall certify pension application and ensure that:

- the person who's pension application is submitted is eligible for pension payments
- the pension application has been sanctioned, is complete and duly signed by both the relevant authority and the ex-employee
- any supporting documents required with the application are attached and duly signed by both the relevant authority and the ex-employee

- calculation of pension payment is in accordance with the Government rules and regulations.

4.7.12.3 If the pension officer is not satisfied with the pension application, the officer shall not approve the application and refer the application to his/her next higher authority along with his/her specific observations.

4.7.12.4 On rejection the officer shall return the application and all supporting documents to the ex-employee who submitted the application, with written reasons for refusal.

4.7.12.5 Once the pension officer is satisfied with the application, he/she shall sign and date the application, update the Pension Application Register and pass on the application to the pension supervisor officer.

4.7.12.6 The pension supervisor officer shall authorise the pension application and ensure that:

- the previous phases of pension application preparation and certification were properly carried out
- the pension calculation satisfies government rules and regulations.

4.7.12.7 If the pension supervisor officer is not satisfied with the pension application, the officer shall not authorise the application and return the application and all supporting documents to the pension officer who certified the application, with written reasons for refusal.

4.7.12.8 If the pension officer is able to rectify the reasons for refusal, the officer shall rectify it and resubmit to the pension supervisor officer. If the pension officer is not in the position to rectify the reasons for refusal, he/she shall return the application and all supporting documents to the ex-employee who originally submitted the application to the office, with written reasons for refusal.

4.7.12.9 Once the ex- employee rectifies the reasons for refusal, he/she shall re-submit the application to the office of the DAO/AG.

4.7.12.10 Once the pension supervisor officer is satisfied with the application, he/she shall authorise the original application, sign and date the pension application and pass on the application to the relevant officer for preparation of "Pension Book". At the same time the authorised officer shall update the Pension Application Register.

4.7.12.11 On the basis of an authorised pension application, the delegated officer in the Pension Section shall update the "Pension Register" and prepare the Pension Book.

4.7.12.12 A delegated officer (Pension Book signatory) shall review the Pension Book, along with the authorised pension application, and, once satisfied, shall sign and stamp the Pension Book. The officer shall then file the authorised pension application.

4.7.12.13 The pensioner shall be notified about the issue of the Pension Book, which shall be personally collected by the pensioner. A copy of the notification is also sent to the relevant DDO who submitted the original pension application.

4.7.14 Processing of pension payment

4.7.14.1 On the basis of the Pension Register, the pension officer in the Pension Section of the DAO/AG office shall prepare a monthly schedule of pensioner's payments by the 26 of a month.

4.7.14.2 Where a computerised system is used, the monthly schedule is automatically produced as part of the monthly pension run. The computerised pension system will also produce an exception report in relation to the pensioner's payment (e.g. monthly pension exceeding a set amount, variation between current month and last month).

4.7.14.3 The pension supervisor officer shall review and verify the monthly schedule of pensioner's payment and authorise it for payment once he/she is satisfied with the pension schedule. At the same time the officer shall update the Pension Register.

4.7.14.4 Once the monthly pension schedule is authorised for payment, a delegated officer (independent of the pension officer and the pension supervisor officer) shall prepare the "Pension Credit Advice" (form 4M) for direct credit payments.

4.7.14.5 Where pension payment is paid by cheque, the delegated officer shall prepare pension cheques as per Directions laid down in Sections 4.2.9, 4.5.8 and 4.7.4.

4.7.14.6 Two delegated officers (signatories) shall sign the Pension Credit Advice and the pension cheques.

4.7.14.7 The Pension Credit Advice shall be sent to the bank, by a delegated officer, on the last working day of the month for direct credit into the pensioner's bank account on the same day.

4.7.14.8 Where pension payment is made by cheque, it should either be despatched through registered post 2 working days before the due date or handed to the pensioner on the due date.

4.7.14.9 The relevant officer who prepares and dispatches the cheques shall also prepare the "Pension Advice Note" (form 4L) once the cheque is signed by the cheque signatory officers and before it is dispatched to the pensioner. The Pension Advice Note shall be sent to the bank on the last working day of the month.

4.7.14.10 The delegated officer who prepares the cheque shall enter the cheque details in the "Cheque Register" (form 4J).

4.7.14.11 A copy of the Pension Credit Advice and the Pension Advice Note shall be sent to the Account Section.

4.7.14.12 Where pension payment is paid incorrectly, the adjustment shall be made in next month's pension payment or as agreed with the Accountant General.

4.7.15 Recording of pension expenditure

4.7.15.1 In the Account Section the delegated officer shall record details of pensions, as stated on the authorised Pension Advice Note and Pension Credit Advice sent by the Pension Section, in the Sub Ledger and Appropriation Control Register as per directions laid down in Section 4.4 "Accounting for Expenditures".

4.7.15.2 Once the pension expenditure is recorded the Pension Advice Note and Pension Credit Advice shall be filed by the officer.

4.7.15.3 Where a pension cheque is not received by the pensioner or pension is not transferred to his/her bank account, the recovery action shall be carried out as per Section 4.2.12 "Stop payment and replacement cheque".

4.7.16 Consolidation of pension expenditure

4.7.16.1 The delegated officer in the Account Section of the DAO/AG office shall consolidate the expenditures, on monthly basis, from the entries in the General Ledger and include them in the Monthly Accounts. Also refer to Section 4.4 "Accounting for Expenditures".

4.7.17 Reporting of pension expenditure

4.7.17.1 Pension expenditures shall be reported to the Accountant General as part of the Monthly Accounts prepared by the District Accounts office.

4.7.17.2 From the Monthly Accounts received from the District Accounts offices, the Accountant General shall produce the Consolidated Monthly Accounts for the Provincial Government or the Federal Government, as the case may be.

4.7.18 Recording, consolidation and reporting of pension expenditure flowchart

4.7.18.1 The flowchart as shown in Section 4.5.14 "Recording, consolidation and reporting of expenditure flowchart" is also applicable in pension expenditure. The main difference is that the Pension Advice Note and Pension Credit Advice replaces the paid claim voucher as the source document for recording purposes.

4.7.19 Reconciliation of pension expenditure

4.7.19.1 The Bank will send the "Bank Return" to the Account Section, where a delegated officer shall check the Bank Return with the copy of the Pension Advice Note and Pension Credit Advice. In respect of the Pension Credit Advice the total will be reconciled with the total appearing on the Bank Return. The officer shall investigate any item which is on the Bank Return but not on the Pension Advice Note and the Pension Credit Advice, and vice versa.

4.7.19.2 Items that are on the Pension Advice Note and the Pension Credit Advice but not on the Bank Return usually represent "un-presented cheques" due to timing differences and form part of monthly bank reconciliation. These pension payments should normally be cleared during next month.

4.7.19.3 Once the delegated officer in the Account Section is finished with the Bank Returns, these returns should be sent to the officer who prepared the cheque. This officer shall enter the details from the Bank Returns into the Cheque Register and reconcile the cheques issued by the office and cleared by the bank. A report/schedule of this reconciliation shall be sent to the Account Section. It should also indicate those cheques which are not yet cleared by the bank.

4.7.20 Reporting on pensions

4.7.20.1 When a pension payment is made by cheque, the designated branch of the National Bank of Pakistan at which the cheque is personally presented by the pensioner, shall send a monthly statement, together with their Bank Return to certify that all pensioners paid during the month were alive, and that all pensioner's Pension Books were stamped for the month.

4.7.20.2 A monthly report will be produced by the DAO/AG which includes the following information:

- number of pensioners added during the month
- number of pensioners expired
- total pension payable and actually paid.