

RBI/2013-14/110 DGBA.GAD.No.H- 4/31.05.001/ 2014-15

July 1, 2014

(Updated upto May 07, 2015)

All Agency Banks Dear Sir/Madam Master Circular- Disbursement of Pension by Agency Banks Please refer to our master circular RBI/2013-14/101 dated July 1, 2013 on the above subject. We have now updated the master circular incorporating important instructions issued by us till end of June 2014. A copy of the same is enclosed for your information. This circular may also be downloaded from our website [www.mastercirculars.rbi.org.in](http://www.mastercirculars.rbi.org.in).

2. Please acknowledge receipt.

Yours faithfully

(G. Sreekumar)

Chief General Manager

Encl: As above

सरकारी एवं बैंक लेखा ववभाग, केन्द्रीय कार्यालय, मंबई सेंट्रल रेलवेस्टेशन के सामने, भायखला, मंबई  
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6072/2301 0095, e-mail : [cgmicdgbaco@rbi.org.in](mailto:cgmicdgbaco@rbi.org.in) हिन्दी आसान िै, इसका प्रयोग बढ़ाए। चेतार्नी:  
भारतीय ररज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन-कॉल के जररये हकसी की भी व्यक्तगत जानकारी  
जैसे बैंक के खाते का ब्यौरा, पासर्डव, आहद नीीं माींगी जाती िै। यि धन रखनेया देने का प्रस्तार् भी  
नीीं करता िै। ऐसे प्रस्तार्ों का हकसी भी तररके से जर्ाब मत दीजजये। Caution: RBI never sends  
mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc.  
It never keeps or offers funds to anyone. Please do not respond in any manner to such offers. 2  
Master Circular- Disbursement of Pension by Agency Banks Payment of Pension to Government  
Pensioners under the various schemes through agency banks Introduction The payment of pension  
to retired Government employees is governed by the relevant Schemes prepared by concerned  
Ministries/Departments with the approval of Controller General of Accounts, Ministry of Finance,  
Government of India or by State Governments and involves payment of basic pension, increased  
Dearness Relief and other benefits as and when announced by the Governments. Various circulars  
issued in this connection are summarized hereunder for information. 1

( Full Text of provisions of relevant clause on account of payent of delayed payment of arrears)

34. Pension Payment to Central/ State Govt. Pensioners by Agency Banks Compensation for delay (Ref.DO.No.CSD.CO/8793/13.01.001/2009-10 dated April 09, 2010, DGBA.GAD.No.H- 46/45.01.001/2010-11 dated July 2, 2010, DGBA.GAD.No.H- 6212 & 6213/ 45.01.001/ 2010-11 dated March 11, 2011 and DGBA.GAD.No.H- 6760 and 6762/45.01.001/2011-12 dated April 13, 2012)

Reserve Bank of India is receiving several complaints from the pensioners alleging inordinate delay in disbursing the revised pension and arrears. Position was reviewed by RBI and the agency banks have been instructed as under:

- i) Pension paying banks should compensate the pensioner for the delay in crediting the pension/ arrears thereof by paying compensation at a fixed interest rate of 8 per cent for the delay after the due date and the compensation shall be credited to the pensioner's account automatically without any claim from the pensioner on the same day when the bank affords credit for revised pension/ pension arrears, in respect of all delayed pension payments made since October 1, 2008.
- ii) Pension paying banks have been requested to put in place a mechanism to obtain immediately the copies of pension orders from the pension paying authorities directly and make payments without waiting for receipt of instructions from RBI so that pensioners should get the benefits announced by the Governments in the succeeding month's pension payment itself.
- iii) System of attending to customer service including pension payments may be reviewed.
- iv) The branch continues to be a point of referral for the pensioner lest he/she feel disenfranchised.
- v) All branches having pension accounts should guide and assist the pensioners in all 19 their dealings with the bank
- vi) Suitable arrangements are made to place the arithmetic and other details about the pension calculations on the web, to be made available to the pensioners through the net or at the branches at periodic interval as may be necessary and sufficient advertisement is made about such arrangements.
- vii) All claims for agency commission in respect of pension payments must be accompanied by a certificate from E.D. / CGM- in- Charge of Government business in case of SBI and its Associate Banks that there are no pension arrears to be credited/ delays in crediting regular pension/arrears thereof.

*[Faint handwritten notes and signatures are visible at the bottom of the page, including names like 'Dr. Sankar', 'B. Sankar', and 'Customer Service Branch Bank of India']*