Government of India
Ministry of Railways
(Railway Board)

RBA No. 44 **/2011**

No. 2008/AC-II/21/19

New Delhi, dated 13.10.2011

FA&CAOs,
All Indian Railways/PUs.

Sub: Additional Relief on death/disability of Government servant covered by the Defined Contribution Pension System (NPS).

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As per the extant rules, the provisional pension payment to the NPS beneficiaries shall be arranged by Railways through ECS/NEFT/RTGS etc. directly to the pensioners account. As this procedure is different from the existing procedure of payment of pension wherein the payment is arranged by the bank and the debit is raised by the bank through RBI to the concerned FA&CAO, RBI was requested to issue guidelines to the Banks so that the debit for such payments are not clubbed with normal pension debits and sent to the Railways.

In this regard, RBI has issued necessary instructions to the agency banks vide their letter no. DGBA. GAD.No. H.1799/45.03.001/2011-12 dated 19.09.2011 (copy enclosed). Railways, while checking pension debits from the bank, may also ensure that the pension debits received from banks do not include amount of interim pension payments paid to the NPS beneficiaries through ECS/RTGS etc. directly by the Railways.

DA: As above.

(Sanjeev Sharma)
Joint Director Accounts
Railway Board

भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

DGBA.GAD.No.H. - 1800 /45.03.001/ 2011-12

September 19, 2011

The Director Finance Accounts
Ministry of Railways
Railway Board
Government of India
Rail Bhavan
New Delhi-110 001

Dear Sir,

Defined Contribution Pension System (NPS)

Please refer to your letter No. 2008/AC-II/21/19 dated August 4, 2011 on the captioned subject. In this connection, we forward herewith for your information a copy of our letter dated September 19, 2011 issued to the agency banks in the matter.

Yours faithfully,

(S.K.Vasave)
Manager

Encl: As above

भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

DGBA.GAD.No.H. - 1799 /45.03.001/ 2011-12

September 19, 2011

1. The Chairman / Managing Director
   State Bank of India & its Associate Banks
2. The Chairman & Managing Director
   All Nationalised Banks

Dear Sir,

Defined Contribution Pension System (NPS)

Ministry of Finance vide their letter No 1(7)/DCPS(NPS)/2009/TA/221 dated July 2, 2009 had issued the procedure for making the provisional payments to the eligible government servants/ families under New Pension Scheme (NPS). Similar modalities have also been adopted by Ministry of Railways in respect of its employees covered under NPS. It is pertinent to mention that under NPS system, Central Pension Accounting Office (CPAO) as well as Railways are arranging provisional pension payment to the eligible NPS subscribers/beneficiaries through the accredited bankers directly (through RTGS/NEFT mode). The banks should not credit pension amount in such cases, in line with procedure followed for normal pension cases.

2. As this procedure is different from the existing procedure of payment wherein the payment is arranged by the bank and the debit is raised by the bank through RBI to the concerned FA & CAO, the banks may ensure that debits in regards to such payments are not clubbed and sent to the Railways. Further, it is advised that banks should not treat NPS pension cases as normal pension for crediting of pension, settlement and reporting purpose.

Yours faithfully,

(G.C. Biswal)
Deputy General Manager