



FEDERAL OMBUDSMAN OF PAKISTAN

**REPORT OF THE COMMITTEE
FOR REFORMS OF PENSION SYSTEM FOR
GOVERNMENT EMPLOYEES**

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MESSAGE OF FEDERAL OMBUDSMAN OF PAKISTAN

It gives me immense personal satisfaction to present this Report of the Committee for Reforms of Pension System for Government Employees that touches the lives of hundreds of thousands of our senior citizens who spent a better part of their lives in public service. They deserve reciprocity if nothing more.

The past three years that I have been in this office have, not infrequently, brought me face to face with tales of miseries that would move the stoutest of hearts. The pang and plight of the pensioners is amongst the top of the list. Being one of the most vulnerable groups, pensioners are and have thus remained our foremost concern for the past many years. Two years ago, a study of the pension system of Pakistan Railways was carried out when a pensioner died while waiting for his pension. The study made many recommendations for bringing about systemic changes to avoid recurrence of such tragic incidents. The scope of that study was, however, limited to the pension system of the employees of Pakistan Railways.

As the Federal Ombudsman, my greatest concern has been the inordinate and indeed painful delays in disposal of pension cases. I have taken, on my own motion, notice of many news reports pertaining to delays in settlement and

payment of pension. It was in this background that a Pension Committee was constituted under the Chairmanship of Mr. Tanwir Ali Agha, former Auditor General of Pakistan. He was joined by eminent members with long experience in public service. The scope of this Committee was enlarged by encompassing in its purview all Federal Government Agencies.

The Committee has identified the systemic issues which need to be urgently addressed to streamline the procedures for timely payment of pension. The problems of pensioners persist not only on account of inadequacy of rules but also due to lack of effective empowerment mechanism for implementation of the available guidelines and the time lines laid down by the Government.

We believe that a truthful implementation of the recommendations made in this report will go a long way in providing much needed and much deserved relief to the pensioners who will no longer have to wait for years for completion of their pension papers and que up for hours to receive their pension.

I must thank Mr. Tanwir Ali Agha and his distinguished associates for their outstanding work in preparing this report. I must also appreciate here the work of Mr. M. Ayub Khan Tarin, former Additional Auditor General for his tireless work as Member/Secretary of the Committee.

I have full confidence that the Implementation Wing of the Wafaqi Mothasib (Ombudsman)'s Secretariat will ensure the implementation of recommendations through regular follow-up.

FOREWORD

For several years, the long delays in the payment of pension has been a source of tremendous hardship and humiliation to retiring officials and their families. Despite the strictures and orders passed by the Supreme Court and simplified guidelines laid down by the Government, complaints on account of delays persist.

2. The Wafaqi Mohtasib taking cognizance of this gross failure in delivering what is a retiring official's fundamental right, constituted a Committee to examine the problem and propose solution. I gladly accepted to chair this Committee.

3. The Committee has assessed the magnitude of the problem, its nature and identified possible solutions. All in consultation with a very broad spectrum of stakeholders ranging from the executive department, the Account Offices, policy makers, National Bank of Pakistan (NBP) and the Association for the Welfare of Retired Persons. These consultations took place over several meetings of the Committee, and smaller Committee constituted to draft report itself. The Committee adopted a holistic approach to the problem; the process leading to the sanction of pension, its disbursement and finally that of family pension.

4. I wish to thank the Hon'ble Wafaqi Mohtasib for the support provided by his office, my colleagues on the Committees, who gave so much of their time and attention to this grave humanitarian problem that afflict one of the weakest segments of society. A very special thank to Mr. M. Ayub Khan Tarin, Senior Advisor and Secretary of the Committee for his tireless, focused and eager hard work, without which this report would not have been possible.

5. The Committee has proposed recommendations that are substantive yet simple, practical and easy to implement. If accepted, these should go a long way in alleviating difficulties of the retirees and officials who are about to retire, ensuring a smooth transition to their golden year. They deserve no less.



(TANWIR ALI AGHA)
CHAIRMAN, PENSION COMMITTEE

**COMPOSITION OF THE PENSION COMMITTEE CONSTITUTED BY THE
HON'BLE Wafaqi Mohtasib (Ombudsman)**

1. Mr. Tanwir Ali Agha, Former Auditor General of Pakistan & Secretary, Ministry of Finance.
2. Mr. Ahmad Jawad, Former Federal Secretary & Secretary Privatization Commission of Pakistan.
3. Raja Raza Arshad, Senior Advisor, WMS & Former Federal Secretary.
4. Syed Bilal Ahmed, Former Federal Secretary & Member Federal Service Tribunal (FST).
5. Mr. Shahid Rasheed, Former Secretary, Establishment Division & presently Chairman, Intellectual Property Organization (IPO).
6. Mr. Izhar-ul-Haq, Former Military Accountant General and Former Additional Auditor General of Pakistan.
7. Mr. Asif Usman, Former Controller General of Accounts.
8. Mr. Taimur Azmat Usman, Former Secretary, Establishment Division and Senior Advisor, Wafaqi Mohtasib Secretariat.
9. Controller General of Accounts - Ex-Officio Member
10. Mr. Naimatullah Abid, Senior Advisor, Wafaqi Mohtasib Secretariat.
11. Mr. Muhammad Ayub Khan Tarin, Sr. Advisor, WMS, Former Additional Auditor General of Pakistan and Additional Secretary, Ministry of Finance.

TERMS OF REFERENCE OF THE COMMITTEE

The terms of reference of the Committee will include:-

- a) Problems that pensioners generally face in preparation and finalization of their pension.
- b) Review the existing Law/Rules/Procedure for preparation of pension papers and sanction of pension.
- c) Review the present set up and availability of human resources in the Ministries to deal with pension cases.
- d) Status of computerization of service record of officers/staff: does the system provide periodic inspection to ensure that service records are being continually up-dated. Use of technology and adoption of Direct Credit System in the Ministries.
- e) Reporting system within the Ministries and between the Ministries and the A.G. Offices to ensure that cognizance of delays and deficiencies is taken at appropriate level and corrective action taken. Implementation and follow-up mechanism in the Ministries and Accounts Offices.
- f) Role of Controller General of Accounts in performing its over sight responsibilities with regard to management of pension system by the Federal Government Agencies/disbursing agencies.

**QUESTIONNAIRE FOR THE
MINISTRIES/DIVISIONS/DEPARTMENTS**

Subject: EXPEDITIOUS PROCESSING AND FINALIZATION OF PENSION PAPERS

- i) What measures are in place to ensure that a retiring government servant begins to receive his pension on the date on which it becomes due?
- ii) Are arrangements in place to ensure that service record i.e. History of Services/Service Books of all government servants are kept upto date and complete?
- iii) Is verification of qualifying service done in respect of all government servants by the Departments and got verified from the Audit Office as per laid down procedure and schedule?
- iv) Is the Division/Department regularly maintaining a list showing the dates of retirement of all their Officers and staff who are due to retire in a calendar year and review it quarterly?
- v) What human resource is deployed exclusively on pension work?
- vi) What is the level of focal person to supervise pension work and liaise with Audit Office/other Departments?
- vii) Do the Divisions/Departments strictly adhere to the time-lines laid down for initiation of pension cases?

- viii) What follow-up mechanism do the Departments have, to check progress of pension papers/cases till their completion and final payment to the retiring government servants?
- ix) Does the Department maintain a list of family members eligible to receive family pension?
- x) Does the Department have a system to cater to family pension cases in a timely manner?
- xi) What is the number of government servants retiring within one year (current year & last 03 years data)?
- xii) What is the stage of computerization for up-dating service record of the employees?
- xiii) What arrangement is in place to maintain up-dated instructions relating to pension?

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EXECUTIVE SUMMARY

The Wafaqi Mohtasib, taking cognizance of the growing number of complaints regarding delay in grant of pension to retirees as well as media reports relating to problems faced by pensioners in receiving pension from National Bank of Pakistan, constituted a Committee to conduct a study of Federal Government pension system and to suggest reforms to make it more efficient, effective and transparent. Chairman of the Committee was former Auditor General of Pakistan and Members were former Federal Secretaries. Controller General of Accounts was ex-officio Member of the Committee. Accountant General Pakistan Revenues (AGPR), Ministry of Finance, Establishment Division, Ministry of Railways, Pakistan Post, Federal Directorate of Education (FDE) and the Association for Welfare of Retired Persons (AWRP) were co-opted.

2. **Methodology adopted by the Committee was to:-**

- a) assess magnitude of the problem.
- b) determine nature of the problem and identify impediments.
- c) deliberate on and recommend remedial measures.

3. a) **MAGNITUDE OF THE PROBLEM**

- i) Accountant General Pakistan Revenues (AGPR) Islamabad, which deals with major bulk of pension cases of Federal Government Employees, reported that, during the year 2015 (01.01.2015 to 31.12.2015), only 5% cases were received according to the laid down time-lines. The rest (95% cases) were received with a delay of one month to more than a year.
- ii) Pakistan Railways, which is one of the major Departments in terms of number of employees, reported that in 12% pension cases the delay beyond 30 days was attributable to executive departments.

- iii) Wafaqi Mohtasib (Ombudsman)'s Secretariat received 520 pension-related complaints during the year 2015.
 - iv) Many instances came to notice where family pension was delayed on account of delayed return of disburser half by National Bank of Pakistan (NBP) to AGPR.
 - v) Certain autonomous bodies e.g. PTV, APP & Heritage etc. do not make timely payment of pension, as funds are utilized to meet their operational needs.
- b) The Committee observed that despite Supreme Court Orders and executive instructions, inordinate delays in the payment of pension continue to be frequently reported. This is a deep rooted chronic problem that results in great difficulties for the retiring officials and their families.

4. **NATURE OF THE PROBLEM**

There are multi dimensional aspects of the problem. These can be divided into four broad categories:

- a) **Procedural.**
- b) **Lack of monitoring & inadequate Supervisory Checks.**
- c) **Lack of accountability.**
- d) **Capacity issues.**

a) **PROCEDURAL**

The delays in payment of pension are mainly on account of deficiencies in service related documents, delay in verification of pay fixation, lack of timely verification of service and lack of simplified pension application form and procedure. The requirement of providing No Objection Certificate (NOC) from the Estate Office, which becomes quite an exacting task when the parent office does not take the responsibility and the pensioner has to run from pillar to post to obtain the NOC. The same applies to the departmental No Demand Certificate (NDC). In many cases of delay, service records are found incomplete at the time of preparation of pension papers and in other

cases where records/service statements are awaited from other offices/stations, protracted inter office correspondence causes delay.

These delays would not happen if:-

- The requirement of periodic verification of service is met as soon as a government servant has completed 10 years service, then on completion of 25 years service and finally before the date of retirement/superannuation.
- The laid down schedule for initiation of pension papers one year prior to the date of retirement is followed and the various stages prescribed both for the administrative department and the accounts offices are adhered to.

b) LACK OF MONITORING & INADEQUATE SUPERVISORY CHECKS

Things do not move in the right direction since there is little ownership at the top level, as a result of which progress of work of pension section is not reviewed on a regular basis by the Senior Management. Since structured supervision is not in place, various issues do not get resolved under an institutionalized arrangement.

c) LACK OF ACCOUNTABILITY

There is no accountability for inordinate delays in pension payment. Delays in disbursement of pension continue to occur notwithstanding repeated instructions issued by the government to finalize pension cases on priority. Even the Supreme Court of Pakistan took cognizance of delay in pension payments and directed government agencies to ensure timely payment of pension. However, the problem has so far defied solution. The Committee, therefore, is of the considered view that an element of punishment will have to be introduced to save retiring civil servants from the agony of delay in payment of pension. The Law empowers the Mohtasib to award

compensation against the delinquent government servants, responsible for causing delay in prompt payment of pension.

d) CAPACITY ISSUES

Lack of capacity, particularly in the administrative departments, is another factor that contributes to delay in pension. Not only are the sections dealing with pension inadequately staffed but the staff posted there do not have the necessary know how and training to properly process the cases.

5. RECOMMENDATIONS

- i) Implementation of all prescribed rules and procedures has to be ensured through an effective enforcement mechanism.
- ii) The level of supervisory checks and reviews need to be upgraded, structured and institutionalized. To this end, Pension Committees be constituted in Divisions /Departments/Accounts Offices to hold monthly meetings to review progress of pension cases.
- iii) Secretaries and Heads of Accounts Offices to hold joint meetings, when required, communicate regularly and take remedial measures where required.
- iv) Pension Welfare Cell with dedicated Pension Welfare Officer having clear job description be set up in every Division/Department.
- v) Placing properly trained dedicated human resource in pension branch of the Divisions/Departments. For this the AGPR should launch an expanded training program for relevant officers. This will take care of the capacity deficit and will also ensure sufficient awareness of the rules and their universal applicability. Appropriate staff strength in Administrative Departments/Accounts Offices needs to be provided for pension matters.

- vi) Head of Deptt/Office responsible in case of BS. 1-15 officials, must ensure that prescribed procedure of verifying qualifying service at a particular time each year and recording necessary entries in service book of official is followed and got confirmed from Accounts office after 10 years, 25 years and before retirement of the government servant.
- vii) The Accounts Offices who are responsible to compile History of Services of BS 16-22 officers must keep them up-to-date and send a list of officials retiring in next six month/one year to department concerned, and relevant Accounts Office to ensure that missing periods in history of service, if any, are completed before the retirement of officer.
- viii) **Grant of Anticipatory pension a mandatory provision:** Sub-section (4) of Section 19 of Civil Servant Act 1973 requires that when a government servant's pension is likely to be delayed beyond 30 days of his retirement/death, action shall be taken for grant of anticipatory pension; however, this mandatory provision is rarely followed. Head of Department, Accounts Office must follow this provision.
- ix) Further simplification of existing pension application form and procedures need to be done to avoid the delay in processing of pension papers.
- x) Providing No Objection Certificate (NOC), No Demand Certificate (NDC) should be the responsibility of Administrative Departments. Pension should not be held up on account of disciplinary proceedings/audit paras/NOC/NDC except for personal recoveries on account of Pay, Allowances and Advances.
- xi) Wafaqi Mohtasib may award compensation to the aggrieved retired civil servant for the period of delay in payment of pension and commutation in terms of Article-22 of President's Order No.1 of 1983. In addition, disciplinary action be initiated against officials responsible for delays in

processing pension cases in the department, Accounts Office or the paying bank.

- xii) Accounts Offices should not start, at the time of retirement, re-calculation of pay fixation from day one of service. However, they may re-open only those few cases which are of doubtful nature.
- xiii) Since pension is exempt from income tax, government may exempt withdrawals from bank account of pensioners to the extent of amount of pension from levy of withholding tax.
- xiv) Where the sanction of family pension is likely to be delayed, the Department shall sanction provisional payment of family pension.
- xv) An orderly transition to Direct Credit System (DCS) to be made.
- xvi) Delay in re-imburement of medical expenses is a cause of financial hardship to the pensioner. Medical re-imburement to be made promptly, preferably within one month of presentation of claim by the pensioner. Government may consider adapting best practices as in place in certain autonomous bodies e.g., PTV.
- xvii) National Bank of Pakistan (NBP) and disbursing Banks to ensure prompt payment as per authorization and reconcile payments with authorizing office. They must also ensure that no delays occur in sending Disburser's Half to Accounts Offices in case of family pension.
- xviii) National Bank of Pakistan (NBP) to take special measures for ensuring payments exactly in terms of pension entitlements and increases allowed by Government from time to time and investigate the cases of over-payments/under-payments referred to at Para-26 of the Report.
- xix) Special Counters in Banks during the pension payment days should be opened on a regular basis.

- xx) Establishment Division also created Standardized Templates corresponding to different steps described in Manual of Pension Procedures. These, alongwith TORs/job description of Pension Welfare Officer, was examined by Finance Division, AGPR and Establishment Division on the direction of the Committee. The Committee approved their recommendations for adoption by the Ministries/Divisions/Departments.
- xxi) All retirees be required to give particulars of eligible family member (and an alternate if that member pre-deceases the retiree) to whom family pension may be transferred. The nomination may be confirmed/reviewed by the pensioner every year.
- xxii) A system of on-line verification of Last Pay Certificate (LPC) and service statement, related to other accounts office, needs to be introduced in order to avoid delay in finalization of pension cases because of non-availability/non-verification of these documents.
- xxiii) Demand for allowing joint accounts in Direct Credit System (DCS) needs to be considered.
- xxiv) Government may consider giving to the pensioner copy of his Pension Payment Order (PPO) bearing stamp, "Not valid for payment -- only for pensioner's identity", or alternatively, the Accounts Office may issue a pension card to the pensioner containing his relevant particulars.

CHAPTER # 01

INTRODUCTORY

The purpose of establishment of the office of Wafaqi Mohtasib (Federal Ombudsman) is to redress public grievances against cases of maladministration of federal government agencies. Article 18 of the Wafaqi Mohtasib (Federal Ombudsman)'s Order, 1983 provides that "The Mohtasib may, whenever he thinks fit, establish standing or advisory committees at specified places with specific jurisdiction for performing such functions of the Mohtasib as are assigned to them from time to time and every report of such committee shall first be submitted to the Mohtasib with its recommendations for appropriate action." The Wafaqi Mohtasib, taking cognizance of the growing number of complaints regarding delay in grant of pension to retirees as well the media reports relating to problems faced by the pensioners in receiving pension from National Bank of Pakistan, constituted a Committee, on 03 August 2015, to conduct a study of Federal Government pension system and to suggest reforms to make it more efficient, effective and transparent.

STRATEGY/METHODOLOGY ADOPTED BY THE COMMITTEE

2. Methodology adopted by the Committee was to:

- a) assess magnitude of the problem;
- b) determine nature of the problem; and
- c) deliberate on and recommend remedial measures.

3. Following six Ministries/Divisions/Departments were associated with the Committee during its deliberations:

- (i) Finance Division.
- (ii) Establishment Division.
- (iii) Ministry of Railways.
- (iv) Accountant General Pakistan Revenues (AGPR).

- (v) Pakistan Post Office.
- (vi) Federal Directorate of Education (FDE).

4. A questionnaire, containing 13 questions, was circulated among the selected Ministries/Divisions/Departments. The purpose was to look into measures and arrangements in place to ensure that a retiring Government servant begins to receive his pension on the date on which it becomes due, with all the required tasks having been done according to prescribed schedule. Copy of the responses of the Ministries/Divisions/Departments are at **Annex - A (I to VI)**. In addition, the Association for Welfare of Retired Persons (AWRP) was associated with the Committee after the second meeting.

5. Decisions taken during the meeting chaired by Finance Minister in the office of Auditor General of Pakistan on 16th October, 2015 were reviewed by the Pension Committee (copy placed at **Annex - B**) and have been suitably incorporated in the recommendations of the Committee.

6 During the 3rd meeting of the Committee held on 17thDecember, 2015, National Bank of Pakistan (NBP) gave a detailed briefing on their newly developed Pension Payment System (PPS) which was being implemented in three phases. It was explained that currently they are in Phase-III which envisages:

(1) PAYMENT THROUGH ACCOUNT/ATM (PENSION CARD)

Pensioner will visit the branch and put his/her thumb on the machine. The system will identify the pensioner and rest of the activities will be performed by the system automatically.

(2) PAYMENT THROUGH BIO-METRIC AT CENTER/ATM (PENSION CARD)

With the implementation of this module, the pensioner will not be required to visit the branch where his account is being maintained. He will just visit any nearest National Bank of Pakistan (NBP) Branch or ATM having Bio-metric facility.

CHAPTER # 02

HISTORICAL BACKGROUND

ADMISSIBILITY OF PENSION

7. Service pension is a periodical payment made by government in consideration of past service rendered by a government servant for a minimum period of 10 years. If the Government servant has rendered five years qualifying service or more but less than ten years qualifying service, he is only entitled to a gratuity not exceeding one month's emoluments for each completed year of qualifying service. In case of invalidation or death in service the rate will be 1-1/2 months' pay for each completed year of service. In such cases no pension is admissible. A pension is payable monthly on or after the first day of the following month. Initial legislation regulating pension matters in Sub-Continent was enacted through Pension Act 1871 and there-under Rules were framed by the Government from time to time. Basic principles and conditions under which pension is earned by service in Civil Departments and manner of calculation are laid down in Civil Service Regulations (CSR). Pensionary benefits/entitlements and procedures have been modified by the government from time to time. Major reforms introduced over the years include Pension-cum-Gratuity Scheme 1954, Liberalized Pension Rules 1977, Revised Pay Scale 2001 and Revised Pay Scale 2005.

8. Statutory provisions relating to pension are contained in Section 19 of Civil Servant Act 1973, which stipulates:-

"Pension and gratuity.—

- (1) On retirement from service, a civil servant shall be entitled to receive such pension or gratuity as may be prescribed.
- (2) In the event of death of the civil servant, whether before or after retirement, his family shall be entitled to receive such pension, or gratuity, or both, as may be prescribed.

- (3) No pension shall be admissible to a civil servant who is dismissed or removed from service for reasons of discipline, but Government may sanction compassionate allowance to such a civil servant, not exceeding two-thirds of the pension or gratuity which would have been admissible to him had he not been invalidated from service on the date of such dismissal or removal.
- (4) If the determination of the amount of pension or gratuity admissible to a civil servant is delayed beyond one month of the date of his retirement or death, he or his family, as the case may be, shall be paid provisionally such anticipatory pension or gratuity as may be determined by the prescribed authority, according to the length of service of the civil servant which qualifies for pension or gratuity; and any overpayment consequent on such provisional payment shall be adjusted against the amount of pension or gratuity finally determined as payable to such civil servant or his family”.

CLASSIFICATION OF PENSION

9. Retirement from service may be on any of the following grounds: (i) on reaching the prescribed age of superannuation i.e. 60 years; (ii) seeking voluntary retirement after completing 25 years qualifying service; (iii) because of permanent mental or bodily incapacitation and (iv) owing to abolition of civil servant's post, provided he is discharged after completing qualifying service of 10/25 years or more. Accordingly, the corresponding pension is classified as Superannuation pension, Retiring pension, Invalid pension and Compensation pension respectively.

CHAPTER # 03

PROGRESS MADE IN IMPROVING PENSION SYSTEM

RATE/SCALE AND AMOUNT OF PENSION

10. The most important factors relevant to the determination of the amount of gratuity/pension are the length of qualifying service rendered by a Government servant before retirement/death and his emoluments on that date. Information in both these respects is computed on the basis of the information available in the History of Services/Service Book/records of the Government servant concerned. The service of an officer begins to qualify for pension from the date he takes charge of the office to which he is first appointed. Only the service paid from the General Revenues qualifies for pension. Foreign service also counts for pension provided the pension contribution was paid as required under the rules. All periods of leave, other than extraordinary leave, count as service qualifying for pension.

11. Pension is calculated at the rate of 70 percent of the emoluments at the time of retirement/death on completion of 30 years qualifying service. Where qualifying service is less than 30 years but not less than 10 years, the pension is calculated at the percentage applicable according to length of service. A Government servant is entitled to commute for a lump sum payment of any portion, not exceeding 35% of pension. Family Pension is granted to the family of a Government servant who dies before retirement, having at least 10 years qualifying service, or after retirement. Wife/children are the only legal nominees for Pension/Gratuity irrespective of the fact that nomination is in their names or not. However, a female Government Servant can exclude her husband from her family for this purpose. In case of death of a Government Servant while in service, gratuity in lieu of one fourth of the gross pension is allowed. In addition to above, family pension @ 75% of the gross pension is admissible to the widow for her life period or till her marriage and after the death of widow, the family pension is admissible to the son(s) until the age of 21 years

or the eldest unmarried/widowed daughter till her marriage. If the Government Servant had more than one wife, the pension shall be divided equally amongst the surviving widows and children. When the Government servant leaves no family the amount of gratuity /pension shall be payable to the following surviving relatives, if any, of the Government servant in equal shares, provided such person was dependent on the deceased Government servant:-

- (a) Mother;
- (b) Father;
- (c) Un-married sisters /widowed sisters; and
- (d) Brothers below the age of 21 years.

PROCESSING/SANCTION OF PENSION

12. The Head of the Department (in the case of B-16 and above officers) and Head of office (in the case of B-1 to B-15 employees) are responsible for initiating the pension case{ Form C.S.R. 25 (Revised) one year before the expected date of retirement. Simultaneously, the departmental authorities should consult the records and see whether any recoveries are due from him. If there are any such dues, early steps should be taken to complete the recoveries of the dues before the date of retirement. They should also notify to the Estate Officer or other organizations which are likely to prefer a demand, to verify the position in respect of demand outstanding against the official concerned within a period of three months of the initiation of the case and, thereafter, to keep a close watch on the current demands.

13. It should also be ensured that all the preliminary enquiries, filling of pension form, verification of qualifying service, etc., are completed by the time the officer submits the formal application. Six months before the expected date of retirement, the concerned official to be asked to fill in and sign Part I of the Form and submit it alongwith three specimen signatures, three photographs and two sets of thumb and finger impression on the prescribed Form, all duly attested. Pension papers are to be completed three months

before the date of retirement and submitted to sanctioning authority for approval. Then the papers are forwarded alongwith prescribed documents to Accounts Office, which issues the Pension Payment Order (PPO) after pre-audit of pension claim.

PAYMENT OF PENSION

14. Beginning of payment of pension — Pension is payable from the date on which the government servant ceases to be borne on the establishment and to be disbursed on or after the first day of the following month. A gratuity or commutation is paid in a single sum, on receipt of the Accountant General's authority. A pensioner can draw his pension from a District Accounts Officer, Treasury/Sub-Treasury or any branch of the National Bank of Pakistan on the authority of Pension Payment Order (PPO). Government servants retiring on or after 01-07-2015 are required to open a bank account in any branch of a commercial bank for direct credit of their pension by the accounts offices each month. From January, 2011 Direct Credit System (DCS) of pension was introduced under which a pensioner can receive pension from his bank account in any branch of scheduled bank. Initially the scheme was optional but made compulsory for Government servant retiring on or after 01.08.2014. For prior period pensioner, BPS-17 and above have been asked to join DCS by 30.06.2016, however, BPS-16 and below will have option to continue to receive pension from National Bank of Pakistan (NBP) or join DCS.

CHAPTER # 04

GOVERNMENT INSTRUCTIONS/COURTS' ORDERS FOR TIMELY FINALIZATION OF PENSION CASES AND PROMPT DISBURSEMENT OF PENSION

15. Article 906 of CSR requires that all authorities dealing with pension cases should bear in mind that delay in the payment of pensions involves pecuniary hardship. It is essential to ensure that a retiring government servant begins to receive his pension on the date on which it becomes due. With this end in view, the procedure for preparation of pension papers and sanction of pensions has been regularly reviewed and simplified by the Government over the years. Following instructions, identifying the causes to which the delay for the payment of pension can be attributed and how best these could be eliminated, have been issued by the Government.

16. In order to ensure finalization of pension case before government servant's retirement, following timeline has been prescribed:-

- | | | |
|------|---|--|
| i) | Initiation of pension case by the department | } One year before date of |
| ii) | Ascertaining any outstanding dues and
Initiate recovery thereof. | } retirement.
} |
| iii) | Signing of pension form and submission of
prescribed documents by the retiring official. | }
} Six months before date of |
| iv) | Requests for furnishing 'No Demand Certificate
to be made to all concerned | } retirement. |
| v) | Sanction by competent authority and
submission of case to Accounts Office. | } Three months before date
} of retirement. |
| vi) | Issuance of PPO. | } A fortnight before
retirement. |

17. In order to determine length of qualifying service rendered and the emoluments, service record of government servant must be complete. Accordingly, all Divisions/ Departments/Offices are required to maintain a "History File" of each gazetted officer. This File should contain (a) gazette notifications, (b) charge reports, (c) a separate card or booklet showing the dates of assumption and relinquishment of each post and emoluments drawn and (d) a leave account showing the various kinds of leave taken by the officer from time to time. As soon as an officer is transferred to another Department or Office, his "History File" should also move with him to the new Office or Department. This "History File" should be shown to the officer concerned in January every year and his acknowledgement obtained on it after settling any discrepancy. The Accounts offices are responsible for compilation of History of Services in respect of B-16 and above regularly and keep them up-to-date.

18. It was observed that pension cases of BS.1-15 employees are mainly delayed because their service books are either incomplete or are misplaced. In order to eliminate delays on this account, it was decided that the service books of Government servants should be maintained in duplicate and that one copy of the service book should be kept in the custody of the Government servant concerned who will also be required to ensure that all entries in his service book are recorded and attested in time.

19. If the work load justifies, a whole time officer should be exclusively designated for supervising maintenance of Service Books. It should be ensured that all entries are duly made and attested and that the Service Book contains no erasures or over writings, all corrections being neatly made and properly attested. The service of a Government servant should be got verified by the Accounts Office on completion of 10 years, 25 years and finally in respect of the period after 25 years when a Government servant is actually due to retire. The second copy of the Service Book should be kept in the custody of the Government servant concerned who should ensure that all entries in his service book are recorded and attested in time.

20. One cause of delay in finalizing pension cases is stated to be the "No-Demand Certificate", which is one of the documents to be furnished with the pension papers to the Accounts Office. Requests for furnishing "No-Demand Certificate" should be made by the department to all concerned at least six months before the date of retirement of the Government servant. If any demand is outstanding against the officer, it must be intimated not later than 15 days after the date of retirement. Payment of pension should not be held up for want of "No Demand Certificates". Pension may be sanctioned if the pensioner or his family (in the event of his death before retirement) agrees that the demand coming to notice *within a period of one year after the issue of the PPO may be recovered from the pension.*

21. Full particulars of the officers and staff proceeding on Foreign Service must be communicated promptly to the Accounts Offices. The Departments should ensure that recoveries of pension and leave salary contributions in respect of all officials who are on foreign service have been effected and accounted for by the Accounts Office. Unless the official was himself liable to pay the pension contributions, the issue of his Pension Payment Order should not be held up for want of receipt of such contributions. It shall be mandatory for the drawing and disbursing officers and accounts authorities to issue Last Pay Certificate within 15 days of the date of retirement of a Government servant.

22. Besides Government's instructions, Superior Courts have also taken notice of delays in sanction/payment of pension and passed various orders for timely finalization of pension cases. Taking Suo-Moto Notice of problems faced by pensioners in receiving pension from National Bank, the Supreme Court asked Government to allow pensioners to receive pension through scheduled bank of their choice. Pursuant to Supreme Court's Order dated 17-09-2007 in Human Rights case No.2492 of 2007 , Government has initiated Direct Credit System under which pension is directly credited in the Pensioner's bank account opened in any Scheduled Bank including National Saving Centres. It enables a pensioner to receive monthly pension without preferring a pension payment claim at the bank and draw the amount at his/her own convenience through ATM.

23. Supreme Court of Pakistan has also held heads of departments accountable for delay in finalization of pension cases, through its Judgment dated 21-02-2013 in Civil Appeal No. 48 of 2013, circulated through Finance Division O.M No. F.11(1)-Reg.6/2013 dated 3rd May, 2013. It require all departments to finalize pensionary / retirement benefit cases within a period not more than two weeks, failing which the head of department shall also be held liable for the contempt of the Court and shall be dealt with strictly in accordance with law.

CHAPTER # 05

MAJOR ISSUES/CAUSES OF DELAY

24. Notwithstanding the progress made, there still are major issues that confront the pension system. Despite Supreme Court Orders and executive instructions, inordinate delays in payment of pension are frequently reported.

MAGNITUDE OF THE PROBLEM

- i. Accountant General Pakistan Revenues, Islamabad, which deals with major bulk of pension cases of the Federal Government Employees, has provided time series analysis of pension cases received during 2015. According to it, only 5% of cases were submitted in time before the date of retirement. The remaining 95% of the cases were delayed from one month to more than a year. Following is a profile of the time-lines of pension cases submitted by administrative departments to AGPR, Islamabad from 1st January to 31st December, 2015:-

Day Range	#of Cases	Percentage %
Cases received in time	130	5%
Cases received with a delay of 1-30 days	429	17%
Cases received with a delay of 31-60 days.	450	18%
Cases received with a delay of 61-180 days	988	39%
Cases received with a delay of 180-365	351	14%
Cases received with a delay of more than one year.	206	8%
Total:	2554	100%

- ii. Similarly, Pakistan Railways, which is one of the major departments in terms of number of employees, reported that 992 cases out of a total of 5556 pension cases they finalized during the period from 01.07.2013 to 31.12.2015 had major observations which caused delay of more than 30 days.
- iii. Wafaqi Mohtasib (Ombudsman)'s Secretariat received 520 pension-related complaints during the year 2015.

- iv. AGPR has reported variations in payment by National Bank of Pakistan (NBP) branches which create hardship for thousands of pensioners. Besides, there are instances where family pension cases are delayed on account of delayed return of disburser's half by National Bank of Pakistan (NBP) to AGPR.
- v. There are organizations who do not make timely payment of pension as funds are utilized to meet their operational needs.

The above data is alarming. It reveals that despite measures taken by the Government to simplify and expedite the process and despite instructions issued by both Government and the Supreme Court of Pakistan, delays are the norm and not exception.

NATURE OF THE PROBLEM

The deliberations of the Committee underline the fact that there are multi dimensional aspects of this issue. This can be divided into four categories:-

- a) **Procedural.**
- b) **Lack of monitoring & inadequate Supervisory Checks.**
- c) **Lack of accountability.**
- d) **Capacity issues.**

a) PROCEDURAL

- i. Pensions are subjected to avoidable delays due to wrong practice of recalculating pay fixation from day one i.e. the date of joining service. This practice has no justification whatsoever, firstly because occasions of pay fixation arise several times during service span of 25 to 35 years. Pay fixed on each occasion has to be treated as a past and closed transaction. There has to be an element of finality in pay fixed by Accounts Offices during service. Secondly, Civil Servants draw salary as determined by Accounts Offices and are, therefore, not responsible for over payment, if any. Pay authorized to

Government servants are drawn by them in good faith. A recovery at the belated stage of retirement surely causes hardship and should be waived in terms of Rule 49 of the General Financial Rules (GFR) Volume-I. Government Departments should, therefore, be barred from reopening decade old fixation cases. Pension should be calculated on pay drawn at the time of retirement. These recommendations will eliminate delay in payment of pension in several cases.

- ii.** Representative of AGPR responding to the aforesaid recommendation stated that they do not recalculate pay fixation from day one of service. They, on the other hand, calculate pay fixation after last confirmation of pay fixation by Audit. Recalculation of pay fixation from day one is done only in very few doubtful cases. They were of the view that any further relaxation for the sake of facilitation may lead to serious risk in pension payment. They advocated the sensitivity of AGPR's prerogative to maintain a balance between accountability and pensioner's facilitation.
- iii.** Consensus of the Committee was that Accounts Offices should not start, at the time of retirement, re-calculation of pay fixation from day one of service. However, they may reopen only those few cases which are of doubtful nature.
- iv.** The delays in payment of pension are also on account of deficiencies in service related documents, delayed or incorrect pay fixation, lack of timely verification of service and lack of simplified pension application form and procedure. The requirement of providing NOC from the Estate Office and No Demand Certificate (NDC) from the Department, which becomes quite an exacting task when the parent office does not take the responsibility and the pensioner has to run from pillar to post to get it. In many cases of delay, service records are found incomplete at the time of preparation of pension papers and in other cases where records/service statements are awaited

from other offices/stations, protracted inter office correspondence causes delay. These delays would not happen if:

- The requirement of periodic verification of service is met as soon as a government servant has completed 10 years service, then on completion of 25 years service and finally before the date of retirement/superannuation.
- The laid down schedule for initiation of pension papers one year prior to the date of retirement is followed and the various stages prescribed both for the administrative department and the accounts offices are adhered to.

b) LACK OF MONITORING & INADEQUATE SUPERVISORY CHECKS

Things do not move in the right direction since there is little ownership at the top level as a result of which progress of work of pension section is not reviewed on a regular basis by the Senior Management. Since structured supervision is not in place, various issues do not get resolved under an institutionalized arrangement.

c) LACK OF ACCOUNTABILITY

There is no accountability for inordinate delays in pension payment. Complaints of inordinate delay in payment of pension are frequently reported in the press. Federal as well as Provincial Ombudsman Offices, continue to receive complaints alleging delay in finalization and payment of pension. Delays in disbursement of pension continue to occur notwithstanding repeated instructions issued by the government to finalize pension cases on priority. Even the Supreme Court of Pakistan took cognizance of delay in pension payments and directed government agencies to ensure timely payment of pension. However, the problem has so far defied solution. The Committee is,

therefore, of the considered view that an element of punishment will have to be introduced to save retiring civil servants from the agony of delay in payment of pension. Law empowers the Mohtasib to award compensation against the delinquent government servants, responsible for causing loss or damage to individuals in the discharge of the duties. The provision of Law as contained in President's Order No.1 of 1983 is reproduced as follows:-

“22. Award of costs and compensation and refund of accounts---

(1) The Mohtasib may, where he deems necessary, call upon a public servant, other functionary or any Agency to show cause why compensation be not awarded to an aggrieved party for any loss or damage suffered by him on account of any mal-administration committed by such public servant, other functionary or agency, and after considering the explanation, and hearing such public servant, other functionary or Agency, award reasonable costs or compensation and the same shall be recoverable as arrears of land revenue from the public servant, functionary or Agency.”

It is recommended that the Mohtasib may award compensation to the aggrieved retired civil servants, for the period of delay in payment of pension and commutation. The amount of compensation may be at the rate of profit as on Pension Benefit Account of the National Savings Department, where pensioners keep their amount of commutation.

In addition, disciplinary action be initiated against officials responsible for delays in processing pension cases in the department, Accounts Office or the paying bank.

d) CAPACITY ISSUES

Lack of capacity, particularly in the administrative departments, is another factor that contributes to delay in pension. Not only are the

sections dealing with pension inadequately staffed but the staff posted there do not have the necessary know how and training to properly process the cases.

25. NATURE OF COMPLAINTS RECEIVED BY WAFAQI MOHTASIB SECRETARIAT

Complaints related to pension received by Wafaqi Mohtasib (Ombudsman)'s Secretariat involve blatant mismanagement/inefficiency on the part of Government Organizations. Nature of such complaints is as follows:

- a) Non-completion of documents required for sanction of pension. The details of papers, which form part of pension application form, requiring submission of information which is time consuming and cumbersome. Concerned departments do not sanction pension until these documents are completed. Delayed disbursement of pension will continue to persist till such time as the documents are simplified.
- b) Pensioners face difficulty when increase in pension in accordance with notification of Finance Division, whenever issued, is not added to their monthly pension. The increase at times involves approval of Board/Competent Authority. Pensioners have to run from pillar to post to get increase in their pension. There should be a viable system through which the increases are automatically added to their pension whenever such enhancement is notified.
- c) The pension is not sanctioned by the Departments under the plea that some inquiry or audit paras are pending against the retiring/retired officer. The departments do not take decision and, therefore, the pension remains in limbo.
- d) Pension in all cases is not being credited to the bank account of pensioners. Such pensioners form queues outside the banks for submission of form and getting cash. Banks do not have dedicated counter for retired employees or they do not

have an arrangement to allocate days to deal with pensioners on separate days to avoid rush. The bank employees are not trained to handle these cases.

- e) There is a large number of Government Organizations i.e. Pakistan Television Corporation (PTV), Associated Press of Pakistan (APP), Heritage etc. who do not have funds for disbursement of pension. They utilize the pension funds to meet their operational expenditure. The pensioners, therefore, do not get their commutation/pension for years. Pension money is not treated as a trust to be used only for the purpose for which it is given.

26. ISSUES IN PENSION PAYMENT BY NATIONAL BANK OF PAKISTAN (NBP)

- a) Payment through National Bank of Pakistan (NBP) branches on the basis of PPO issued by AGPR constitutes around 94% of pensioners. AGPR has reported that NBP branches have made over-payments/under-payments of pension contrary to payment authorities issued by AGPR and the actual rate of increases allowed by the Government. This creates hardship for thousands of pensioners besides causing litigations by the affected parties. Details are as under:

Under-payments/over-payments by NBP (January 2015 to January 2016)

Name of Office	Under-payments	Over-payments
AGPR, Islamabad	Rs. 78,972,142	Rs. 43,320,398
AGPR, Sub Office, Karachi	Rs. 230,842,366	Rs. 1,834,561
AGPR, Sub Office, Lahore	Rs. 273,080,738	Rs. 9,308,836
AGPR, Sub Office, Peshawar	Rs. 33,810,909	Rs. 525,600
AGPR, Sub Office, Quetta	Rs. 4,839,763	Rs. 1,927,158
Total:	Rs. 621,545,918	Rs. 56,916,553

- a) Many instances have come to notice where family pension cases are delayed on account of delayed return of disburser's half by National Bank of Pakistan (NBP) to AGPR.

b) Government's decision to convert cases of all BS-17 and above to Direct Credit System (DCS) is being delayed as NBP Branches are unable to furnish the requisite documents including disburser's half of PPO to AGPR.

27. PROBLEMS AT THE TIME OF DISBURSEMENT OF PENSION

Government is implementing payment of pension through Direct Credit System (DCS) so that pensioners do not have to face the hassle and resultant delay in getting payment of their pension. But complete switch over to the new system will take time. Till such time the existing system continues, pensioners face the following problems:-

- a) Pensioners submit manual claims and have to wait long hours as manual processing of claims takes time. There are facilitation problems as arrangements to facilitate pensioners are lacking. Resultantly, there are complaints as manual system is prone to error and is time consuming.
- b) There is high risk of payment variation and misplacement of record which are inherent in manual system.

CHAPTER # 06

28. RESPONSES OF THE MINISTRIES/DIVISIONS/DEPARTMENTS TO THE QUESTIONNAIRE

Responses of the Ministries/Divisions/ Departments to the questionnaire are at **Annex - A (I to VI)**. Impression that emerges from the responses is that a sound system is in place which is being followed and there are no serious problems. But the ground realities as mentioned at Para 24 to 27 of the Report convinces us to the contrary. The following problems emerge:

- i. The state of verified/up-dated service record in Agencies leaves much to be desired.
- ii. Pension work does not receive due attention in Government departments, as a result of which pension sections are not properly staffed with trained people.
- iii. Pension work is not being effectively supervised or monitored at a senior level either in Govt. Departments or in the Account Offices. There is no institutionalized mechanism that provides oversight. There is little or no accountability where delays take place.
- iv. Pensioners facilitation in their parent Departments is lacking as a result of which optimum service is not being provided i.e. assisting them to get NOC, and arranging the required information from other offices.
- v. Ownership of pensioners is lacking as a result of which pensioner himself has to run from pillar to post to arrange the required papers and get the case expedited from the Accounts Offices.

ESTABLISHMENT DIVISION'S RESPONSE

- vi. Establishment Division reported that there was no structured supervision of pension matters. Establishment Division has, therefore, set-up a Pension

Welfare Cell with dedicated Pension Welfare Officer with clear job description. Joint Secretary is the focal person for pension work under the supervision of the Secretary. Secretary reviews progress of work of Pension Welfare Cell. Under the arrangement of e-office, pension work is integrated and data is reflected on the dash board of Secretary, Joint Secretary (focal person) and Pension Welfare Officer. Under the system that they have developed, steps have been provided which are followed for timely submission of pension cases and templates have been developed for facilitation of pensioners. In the meeting of the Pension Committee on February 11, 2016 the Committee directed that before recommending universal applicability of Forms/Templates/TORs/Job Description developed by Establishment Division, the Finance Division, Establishment Division and AGPR should sit together and submit their proposal to the Committee for consideration and further recommendation.

- vii. Establishment Division vide their U.O. dated 22nd February, 2016 informed that a meeting as per direction of the Committee was held and all the three members unanimously recommended to submit the same to the Committee to consider adoption by all Ministries/Divisions/Departments/Subordinate Offices etc. to ensure uniformity of approach to facilitate pensioners. **(Annex- C)**. The Committee approved these recommendations for adoption by the Ministries/Divisions/Departments.

CHAPTER # 07

PENSION DISBURSEMENT

29. Three Agencies are involved in finalizing and disbursement of pensions to retiring government employees viz Executive/Administrative Departments, AGPR and Banks. With the introduction of Direct Credit System (DCS), the role of Banks would largely be confined to disbursement of pensions to pensioners through their Bank account.

30. Administrative Departments and Accounts Offices are required to prepare lists, showing the date of retirement of government servants, one year prior to date of retirement, without waiting for formal application from the government servant concerned. The list is required to be reviewed/monitored on quarterly basis alongwith checking of outstanding dues against the government servant. Data base of employees linked with pay rolls should normally contain all relevant information/particulars.

31. Complete pension cases, with all required documents, are required to be forwarded to the concerned Audit Offices/Accounts Offices, along with administrative sanction for grant of pension at least three months before the actual date of retirement, after obtaining formal pension application from the employee, six months in advance of his retirement under CSR - 907. No Objection Certificate (NOC) from Estate Office and pension contribution liability, should not present any bar in this regard, nor should audit paras except those relating to personal recoveries.

32. According to "Time Series Analysis of Pension Cases", during 01.01.2015 to 31.12.2015, submitted to AGPR, the foremost reason causing delay in finalizing pension cases was their late submission by Administrative Departments. Of the 2554 cases received during January to December, 2015, only 130 (5%) were received in time i.e. three months before the actual date of retirement. 73% cases were received between 30 to 180 days after the due date, 14% cases were received between 180 to 365 days and 8% cases were received one year after the due date.

33. Of the 2554 pension cases received by AGPR (from January to December, 2015), 840 cases i.e. 33% were processed and finalized within 1-10 days, 48% within 11 to 40 days and 19% cases took more than 40 days. As per Finance Division's letter dated 25th November, 2000, these were to be finalized within a week. Pension Payment Order (PPO) has, in any case, to be issued fifteen days before the date on which the Government servant proceeds on retirement.

34. Cases which took between 21 to 40 days were on account of the fact that pension roll was closed on 15th of every month and the pending cases, though finalized, were added in the next pension roll alongwith cases where service statements and Last Pay Certificates (LPCs) were required from other Account Offices. To address this problem, AGPR has introduced Supplementary Pension Roll (SPR) during the month.

35. The cases which took more than 40 days for processing/finalization were returned at least once, with various observations. The list of 16 observations indicated that some of these could be done away with:

Deficiencies commonly observed in pension papers were:-

- Non-issuance of retirement notification in time, sanction's retirement date in office order differs from the one on pension application form (CSR025).
- Errors in Last Pay Certificate (LPC), pay fixation, date of birth, incorrect interest calculation, omitting or effecting less recoveries, incomplete service verification and leave account, non-completion of disciplinary proceedings, pending audit paras.

36. AGPR has started a series of training programs for focal persons and welfare officers to address capacity issues of Ministries and Divisions. Besides, a simplified version of pension application form has been designed and submitted to the Ministry of Finance.

37. Pension cases of all BPS-17 and above Officers are being converted to Direct Credit System (DCS). The process is to be completed by 30.06.2016.

38. With the introduction of Direct Credit System (DCS), pension book (which is an identity of a pensioner) would be eliminated. Government may consider giving to the pensioner copy of his PPO bearing stamp “not valid for payment --- only for pensioner’s identity” or alternatively the Accounts Office may issue a Pension Card to the pensioner containing his relevant particulars.

39. Progress Sheet prescribed under Sl.No.53 of Manual of Pension Procedure envisages its return by Accounts Office to Ministry/Department after issuance of Pension Payment Order (PPO), so that Ministry/Department is informed of the issuance of PPO.

CHAPTER # 08

RECOMMENDATIONS & CONCLUSION

40. RECOMMENDATIONS

- i) Implementation of all prescribed rules and procedures has to be ensured through an effective enforcement mechanism.
- ii) The level of supervisory checks and reviews need to be upgraded, structured and institutionalized. To this end, Pension Committees be constituted in Divisions/Departments/Accounts Offices to hold monthly meetings to review progress of pension cases. These Committee be headed by the Secretary/Head of Department. Similar Committees be set up in the Accounts Offices.
- iii) Secretaries and Heads of Accounts Offices to hold joint meetings, when required, communicate regularly and take remedial measures where required.
- iv) Pension Welfare Cell with dedicated Pension Welfare Officer having clear job description be set up in every Division/Department.
- v) Placing properly trained dedicated human resource in pension branch of the Divisions/Departments. For this the AGPR should launch an expanded training program for relevant officers. This will take care of the capacity deficit and will also ensure sufficient awareness of the rules and their universal applicability. Appropriate staff strength in Administrative Departments/Accounts Offices needs to be provided for pension matters.

- vi) **Verification of qualifying service most important/essential factor:** Head of Deptt/Office responsible in case of BS.1-15 officials, must ensure that prescribed procedure of verifying qualifying service at a particular time each year and recording necessary entries in service book of official is followed and got confirmed from Accounts office after 10 years, 25 years and before retirement of the government servant.
- vii) The Accounts Offices are responsible to compile History of Services of BS16-22 officers. They must keep them up-to-date. Accounts offices send a list of officials retiring in next six month/one year to department concerned, and to the other relevant Accounts Offices to ensure that missing periods in history of service, if any, are completed before the retirement of an officer.
- viii) **Grant of Anticipatory pension a mandatory provision:** Sub-section (4) of Section 19 of Civil Servant Act 1973 requires that when a government servant's pension is likely to be delayed beyond 30 days of his retirement/death, action shall be taken for grant of anticipatory pension; however, this mandatory provision is rarely followed. Head of Department, Accounts Office must follow this provision. In case of delay, anticipatory pension should be allowed as provided under the rules.
- Instructions issued vide Finance Division's No. F.ii(2)Reg-6/2022, dated 25.11.2002 need to be kept in view: "Administrative as well as audit and accounts authorities must exercise the power to sanction anticipatory pension, whenever required, to avoid any delay in the payment of pension".
- ix) Further simplification of existing pension application form and procedures need to be done to avoid the delay in processing of pension papers.
- x) Providing No Objection Certificate (NOC), No Demand Certificate (NDC) should be the responsibility of Administrative Departments. Pension should not be held up on account of disciplinary proceedings/audit

paras/NOC/NDC except for personal recoveries on account of Pay, Allowances and Advances.

- xi) Wafaqi Mohtasib may award compensation to the aggrieved retired civil servant for the period of delay in payment of pension and commutation in terms of Article-22 of President's Order No.1 of 1983. In addition, disciplinary action be initiated against officials responsible for delays in processing pension cases in the department, Accounts Office or the paying bank.
- xii) Accounts Offices should not start, at the time of retirement, re-calculation of pay fixation from day one of service. However, they may re-open only those few cases which are of doubtful nature.
- xiii) Since pension is exempt from income tax, government may exempt withdrawals from bank account of pensioners to the extent of amount of pension from levy of withholding tax.
- xiv) Where the sanction of family pension is likely to be delayed, the Department shall sanction provisional payment of family pension.
- xv) An orderly transition to Direct Credit System (DCS) to be made.
- xvi) Delay in re-imburement of medical expenses is a cause of financial hardship to the pensioner. Medical re-imburement to be made promptly, preferably within one month of presentation of claim by the pensioner. Government may consider adapting best practices as in place in certain autonomous bodies e.g., PTV.
- xvii) National Bank of Pakistan (NBP) and disbursing Banks to ensure prompt payment as per authorization and reconcile payments with authorizing office. They must also ensure that no delays occur in sending Disburser's Half to Accounts Offices in case of family pension.

- xviii) National Bank of Pakistan (NBP) to take special measures for ensuring payments exactly in terms of pension entitlements and increases allowed by Government from time to time and investigate the cases of over-payments/under-payments referred to at Para-26 above.
- xix) Special Counters in Banks during the pension payment days should be opened on a regular basis.
- xx) Establishment Division also created Standardized Templates corresponding to different steps described in Manual of Pension Procedures. These, alongwith TORs/job description of Pension Welfare Officer, was examined by Finance Division, AGPR and Establishment Division on the direction of the Committee. The Committee approved their recommendations for adoption by the Ministries /Divisions /Departments.
- xxi) All retirees be required to give particulars of eligible family member (and an alternate if that member pre-deceases the retiree) to whom family pension may be transferred. The nomination may be confirmed/reviewed by the pensioner every year.
- xxii) A system of on-line verification of Last Pay Certificate (LPC) and service statement, related to other accounts office, needs to be introduced in order to avoid delay in finalization of pension cases because of non-availability/non-verification of these documents.
- xxiii) Demand for allowing joint accounts in Direct Credit System (DCS) needs to be considered.
- xxiv) Government may consider giving to the pensioner copy of his Pension Payment Order (PPO) bearing stamp, "Not valid for payment – only for pensioner's identity", or alternatively, the Accounts Office may issue a pension card to the pensioner containing his relevant particulars.