

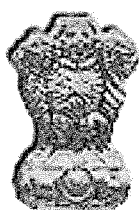
**IRREGULAR PENSION PAYMENTS BY
POST OFFICES**

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)**

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

EIGHTY- FIFTH

SEVENTEENTH LOK SABHA



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO. 2315

EIGHTY-FIFTH REPORT

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

(SEVENTEENTH LOK SABHA)

IRREGULAR PENSION PAYMENTS BY POST OFFICES

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)**



Presented to Lok Sabha on:

Laid in Rajya Sabha on:

**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2024 /Magha, 1945 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2023-24)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabbhaneni
15. Shri Ram Kripal Yadav

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K. Laxman
18. Shri Derek O' Brien*
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Dr. Sanjeev Sharma - Joint Secretary
2. Smt. Bharti Sanjeev Tuteja - Director
3. Shri Girdhari Lal - Deputy Secretary
4. Shri Ashikho Alema - Executive Officer

* Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24), having been authorised by the Committee, do present this Eighty Fifth Report (Seventeenth Lok Sabha) on '**Irregular Pension Payments by Post Offices**' based on Para No.3.4 of C&AG Report 15 of 2022 relating to the Ministry of Communications (Department of Posts).

2. The C&AG Report No. 15 of 2022 was laid on the Table of the House on 08.08.2022.

3. The Public Accounts Committee (2023-2024), selected the aforesaid subject for detailed examination and took oral evidence of the representatives of the Ministry of Communications (Department of Posts) on the subject matter on 18 July, 2023.

4. The Public Accounts Committee (2023-2024) considered and adopted the Draft Report on the aforementioned subject at their Sitting held on 17.01.2024. The Minutes of the Sittings are appended to the Report.

5. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type and form Part- II of the Report.

6. The Committee would like to express their thanks to the representatives of the Ministry of Communications (Department of Posts) for tendering evidence before them and furnishing the requisite information in connection with the examination of the subject.

7. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

NEW DELHI:
17th January, 2024
27 Pausha 1945 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

REPORT

PART-I

A. Introductory

This Report is based on Para 3.4 of C&AG Report No.15 of 2022 on the subject, "Irregular Pension Payments by Post Offices" pertaining to the Department of Posts.

B. Irregular Pension Payments by Post Offices

2. As per Rule 137 of the P&T Financial Hand Book Volume – II, applicable to the Department of Posts (DoP), mandates an annual verification of the continuity of life for pensioners. The rule specifies the requirement for pensioners to submit a life certificate in November each year to facilitate the crediting of pension in subsequent months. In instances where a pensioner fails to either appear in person or submit the life certificate, the rule dictates that pension should not be automatically credited to their account. To streamline the process, DoP allowed the submission of a Digital Life Certificate (Jeevan Pramaan) online from the year 2014, specifically for pensioners with Aadhar-linked pension accounts. Additionally, the Finacle software, introduced in the postal network during 2015-16, enables pensioners to withdraw pension funds from any post office across India.

Audit Findings

3. Scrutiny of records (April 2018 and July-November 2021) in five Head Post Offices (HPOs) viz. Ranaghat, Baruipur, Alipore, Tamluk, and Barasat under West Bengal Postal Circle revealed that in case of 122 pensioners, pension was credited to pensioners' accounts despite wanting life certificates. Further analysis of 122 cases revealed the following.

- a) Three HPOs (Ranaghat, Baruipur and Alipore) continued to credit monthly pension in 14 accounts amounting to ₹64.51 lakh, despite non-receipt of life certificate from the pensioners and non-operation of accounts by the pensioners. On being pointed out by audit, HPOs accepted the fact and had written back ₹ 64.51 lakh at the instance of audit from pensioner's accounts to Government account.
- b) Four HPOs (Baruipur, Alipore, Tamluk, and Barasat) continued to credit pension in another 85 cases despite non-receipt of life certificate for the last one to 10 years. Total irregular credit to such accounts was ₹4.22crore.

- c) Further, in Tamluk HPO pension was found credited in 23 pension accounts wherein the pensioners had deceased 1-10 years back. Total amount irregularly credited in these accounts was ₹1.16 crore. Thus, an amount of ₹6.02 crore was irregularly drawn and credited to 122 Pensioner's accounts in respect of Five Head Post Offices (HPOs) of West Bengal Postal Circle as detailed below

HPO wise details of irregularly drawn Pension

Sl. No.	Name of HPO	No. of Cases	Amount involved (₹)
1	Tamluk	64	3,28,65,186.00
2	Alipur	38	2,13,22,610.00
3	Baruipur	8	32,05,230.00
4	Ranaghat	8	25,22,087.00
5	Barasat	4	3,28,876.00
	Total	122	6,02,43,989.00

4. The Committee have learnt from the Background Note submitted by the Ministry of Communications (Department of Posts), regarding the latest developments which include:

- (i) As per the review being done at Circle level, in total, 12 Circles (Chhattisgarh, Delhi, Himachal Pradesh, J&K, Kerala, M.P., Maharashtra, North East, Odisha, Punjab, Rajasthan and Uttarakhand) have reported 'Nil' cases of payment of pension without submission of life certificate.
- (ii) Eight (08) Circles namely Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, U.P., West Bengal and Telengana have made full recovery in all the irregular pension credit cases and hence recovery is Nil.
- (iii) Three (03) Circles namely Assam, Jharkhand and Tamil Nadu, have pending recovery cases which are as under:

Sl. No.	Circle	No. of cases without DLC in initial scrutiny	Total amount due to be recovered (in INR)	Amount recovered (as on 06.02.2023)	Balance	Remarks

1.	Assam	6	10,36,181	6,21,702	4,14,479	Recovery amounting to Rs.3,32,670/- is pending in Guwahati Division, which is being recovered in instalments and full recovery will be made by March, 2025. In another case recovery amounting to Rs.81,809/- is pending in Tinsukia Division, wherein due to financial hardship, the family of deceased pensioner couldn't deposit rest of amount and the case is in process for unmarried daughter family pension.
2.	Jharkhand	560	2,38,68,503	2,35,06,103	3,62,400	Out of the total 560 cases in the initial scrutiny, recovery/regularization has been made in 546 cases. Circle has been asked to recovery/regularize balance amount in remaining 14 cases.
3	Tamil Nadu	9	-	-	76,577	Out of total 9 cases, overpayment was recovered in 6 cases and DLC submitted by pensioners in 2 cases. In the remaining one case, Rs. 25,255/- has been recovered and balance amount of Rs.76,577/- is due to be recovered. As the pensioner had expired on 10.01.2017, Circle is taking up the matter with his son for recovering of remaining amount.

(iv) Postal Directorate is actively pursuing the matter with concerned Circles for speedy recovery/regularization of pending pension cases.

5. The Committee have learnt from the Audit Findings/Observations that lapses on the part of the Postal authorities in not adhering to the mandated annual verification of continuity of life before crediting pension resulted in the irregular crediting of ₹ 6.02 crore to pensioner accounts. This also led to an unjustified outflow and blockade of Government funds in pensioners' accounts for extended periods. Furthermore, the Postal Accounts Offices were not vigilant in ensuring compliance with the rules that state life certificates should be attached to the relevant schedules by the Post Offices (Rule 137(15) of FHB Vol. II). Additionally, DoP failed to incorporate features in the Finacle Software system to prevent the crediting of pension to accounts where life certificates were not submitted.

6. When the Committee wanted to know as to how the Department ensures timely submission of life certificates by the pensioners, the Department through a post evidence reply stated as under:

“Submission of Digital Life Certificate is concerned at Jeevan Pramaan Centers in Head Post Offices, the instructions issued by DoP&PW, ahead of opening of window for submission of DLC, every year, are circulated to all the Circles. Further, all the Circles are also requested to ensure preparedness of JPCs and disseminate the information among pensioners and Pensioners’

Associations in the respective Circle/Region/Division. Further, to develop suitable control checks in the existing software to stop automatic credit of pension, technical upgradations have been made with the integration of Jeevan Pramaan Portal (NIC) with CSI-HRMS for auto-verification of Digital Life Certificate (DLC). Now the DDO can verify the availability of 100% life certificate through Jeevan Pramaan Interface using DDO login.”

7. When enquired whether any grace period was provided to the pensioners to provide life certificates, the Department also through a written submission stated:

“The subject matter pertained to Department of Pension & Pensioners’ Welfare (DoP&PW) and Department of Posts follows the instructions issued by the DOPPW, from time to time.”

8. On being asked about the reasons for pending recoveries in West Bengal, Assam, Jharkhand and Tamil Nadu Circles and expected timeline to be recovered, the Department, through written reply intimated as under:

“Full recovery has been made w.r.t. West Bengal and Jharkhand Circle of DOP.

The reason for pending recovery w.r.t. Assam and Tamil Nadu Circle are as under:-

ASSAM:-

As per the latest update, Rs. 3,49,413/- is the balance amount to be recovered. Out of this recovery amount, Rs. 3,07,604/- is pending in Guwahati Division, which is being recovered in instalments @1/3rd of net pension and full recovery will be made by March, 2025. In another case of recovery of Rs. 41,809/- in Tinsukia Division, wherein due to financial hardship, the family of deceased pensioner is depositing the amount on installment basis. The remaining amount will be deposited within 31.12.2023.

TAMIL NADU:-

One case for recovery is pending wherein Life Certificate was submitted in November, 2016 which was valid upto October, 2017 but pensioner expired on 10.01.2017 and his son continued to draw the pension through ATM.

In this case, necessary action for recovery of excess paid amount has been initiated by filing FIR against the son of pensioner.”

9. As regard details of recoveries due and made in cases of Chhattisgarh, Delhi, Himachal Pradesh, J&K, Kerala, M.P., Maharashtra, North East, Odisha, Punjab, Rajasthan, Telangana, Uttarakhand Circles, the Department’s response was as under:

"No recovery was due as on date."

10. From the information furnished by the Department, it was noted that in UP circles the remaining 312 out of 386 cases, pensioners were found alive during enquiry. 295 alive pensioners had submitted their DLCs and remaining 17 pensioners had been asked to submit their DLCs immediately.

11. When asked to clarify whether pensionary benefits have now been paid to the 295 pensioners found alive and developed any online mechanism to enable the pensioners to submit their DLCs, the Department's response through a written reply was as under:

"The pension of 295 cases has already been regularized. Department of Post follows and operates the Jeevan Pramaan Portal operated by DoP&PW. The mandate of Department of Post in respect of Jeevan Pramaan is to setting up and operationalize the Jeevan Pramaan Centres across the identified Head Post Offices through the Jeevan Pramaan Portal operated by DoP&PW. Further, to develop suitable control checks in the existing software to stop automatic credit of pension, technical upgradations have been made with the integration of Jeevan Pramaan Portal (NIC) with CSI-HRMS for auto-verification of Digital Life Certificate (DLC). Now the DDO can verify the availability of 100% life certificate through Jeevan Pramaan Interface using DDO login."

12. On being asked whether the Directorate has set any timeline to ensure recovery/regularization of pending pension cases in a stipulated time frame, the Department through a written note responded as under:

"Recovery is only pending w.r.t. Assam and Tamil Nadu. Assam circle has intimated that full recovery shall be made by March, 2025. So far as Tamil Nadu circle is concerned, any time line of recovery is not possible. The Circle has filed FIR against the son of the deceased (expired on 10.01.2017) for irregular withdrawal of money from ATM after the death of the pensioner till expiry of DLC in October 2017."

13. Upon further enquiry about fixation of the responsibility against the erring officers and staff, the Department replied as under:

"The Responsibility had already been fixed by U.P. Circle. And, Assam and Gujarat Circle had intimated that the process of fixing the responsibility is underway. It was further intimated by the Ministry that Department of Posts had also issued instructions to all the circles to fix responsibility and to intimate the same to the Department by 31.12.2023."

PART II

OBSERVATIONS/RECOMMENDATIONS

A close scrutiny of the facts and figures made available to the Committee through Audit records reveal that in five Head Post Offices (HPOs) viz. Ranaghat, Baruipur, Alipore, Tamluk, and Barasat, for the period April 2018 and July-November 2021, under West Bengal Postal Circle, in case of 122 pensioners, pension was credited to pensioners' accounts inspite of the absence of life certificates. Further, scrutiny revealed non-operation of accounts by the pensioners, non-receipt of life certificate for the last 1 to 10 years, crediting of pension in 23 accounts wherein the pensioners had passed away 1-10 years back amongst others. Subsequent review of all Postal circles further reveal irregular payment of pension in Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, U.P., West Bengal, Telengana, Assam, Jharkhand and Tamil Nadu. The Committee find that although recovery of irregular pension payment has been effected in most cases, the issue did not reach finality and recovery remains pending in Assam, Jharkhand and Tamil Nadu circles. The observations and recommendations of the Committee on these issues are enumerated in the succeeding paragraphs.

Non adherence to rules

1. The Committee learn that P&T Financial Handbook Volume – II mandates an annual verification of the continuity of life of pensioners. The pensioners are required to submit a life certificate in November each year to facilitate crediting of pension in subsequent months for the coming year. Audit had highlighted that lapses on the part of the Postal authorities in undertaking annual verification of continuity of life before crediting pension, resulted in the irregular crediting of pension amounting to Rs.6.02 crore to 122 pensioner accounts in five Head Post Offices (HPOs) of West Bengal Postal Circle. Further, analysis of these cases reveal serious lapses like crediting of monthly pension despite non-receipt of life certificate from

pensioners for prolonged period ranging from one to ten years, non-operation of accounts by pensioners and crediting of pension accounts wherein the pensioners had deceased 1-10 years back. In response, the Department of Posts have submitted that in respect of these five HPOs, full recovery has been made. The Committee are of the opinion that although full recovery has been made in the cases pertaining to the West Bengal Postal Circle, the whole situation of irregular crediting of pension would have been avoided had the Postal Authorities concerned adhered to the laid down rules diligently. The fact that irregular crediting of pension remained undetected for years is indicative of serious lapses in the system of verification of life certificate on the part of the authorities concerned which needs to be rectified urgently. The Committee are of the opinion that in order to ensure timely submission of life certificates, the Department needs to issue reminders from the month of October till the end of November to the pensioners through sms /e-mail/post/ television/ radio/ social media etc. detailing the various modes of submission of life certificates and also make alternate arrangements to cater to pensioners who are not tech-savvy or are incapacitated to submit their life certificates either online or otherwise.

Recovery of excess/irregular pension

2. The Committee note that as per the review done at the Circle level, 12 Circles (Chhattisgarh, Delhi, Himachal Pradesh, J&K, Kerala, Madhya Pradesh, Maharashtra, North East, Odisha, Punjab, Rajasthan and Uttarakhand) have reported 'Nil' cases of payment of pension without submission of life certificate, 08 Circles, namely Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Uttar Pradesh, West Bengal and Telangana have made full recovery in all the irregular pension credit cases and 03 Circles namely Assam, Jharkhand and Tamil Nadu, have pending recovery cases. The Committee have been given to understand that Postal Directorate is actively pursuing the matter with the Circles concerned for speedy recovery/regularization of pending pension cases. The Committee,

while impressing upon the Department of Posts of the imminent need for minimizing such cases, urge the Department to expedite the process of recovery/regularization of irregular payment of pension.

Easing submission of life certificates and verification processes

3. The Committee note that to streamline the process of claiming pension, the Department of Posts had provided for submission of a Digital Life Certificate (Jeevan Pramaan) on-line from the year 2014, specifically for pensioners with Aadhar-linked pension accounts. Additionally, the Finacle software was also introduced in the postal network during 2015-16 to enable pensioners to withdraw pension funds from any post office across India. The Department have also stated that to develop suitable control checks in the existing software to stop automatic credit of pension, technical upgradations have been made with the integration of Jeevan Pramaan Portal (NIC) with Core System Integration- Human Resource Management System (CSI-HRMS) for auto-verification of Digital Life Certificate (DLC), and the DDO can authentically verify availability life certificate through the Jeevan Pramaan Interface by using DDO login. The Committee are surprised to note that despite a slew of measures taken by the Department to facilitate submission/ verification of life certificate, cases of pension being credited to pensioners' accounts without confirming the continuity of the life certificates do persist. The Committee, therefore, in no unequivocal terms recommend that the whole system of verification and crediting of pension may be reviewed with a view to identify the loopholes in the existing system and to address the same.

Fixing of responsibility

4. The Committee note that recovery of payment of irregular pension is pending in Assam and Tamil Nadu circles. While the Assam circle has intimated that full recovery would be made by March, 2025, no time line for recovery has been fixed in the case of Tamil Nadu Circle. The Circle has filed FIR against the son of the deceased (expired on 10.01.2017) for

irregular withdrawal of money from ATM after the death of the pensioner till expiry of DLC in October 2017. The Committee, further note that responsibility had already been fixed by U.P. Circle and Assam and Gujarat Circles had intimated that the process of fixing the responsibility is underway. Moreover, the Department of Posts had also issued instructions to all the circles to fix responsibility and to intimate the same to the Department by 31.12.2023. Though the Department has now initiated action for recovery, the Committee are constrained to note that no concrete action was hitherto been taken against the officials responsible for irregular payment of pension. The Committee desire to be apprised of the disciplinary action taken against all errant postal officials who had released pension without undertaking thorough verification of life certificates of each pensioner.

NEW DELHI:
17th January, 2024
27 Pausha 1945 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee