

**F.No.25014/2/2002-AIS(II)**  
**Government of India**  
**Ministry of Personnel, Public Grievances and Pensions**  
**Department of Personnel & Training**

North Block, New Delhi – 11001  
Dted 11<sup>th</sup> April, 2007

To  
Chief Secretaries of all State Governments/UTs

Subject : Simplification of Procedure for payment of pension and other benefits to All India Service officers retiring from Government of India/State Governments.

Sir,

I am directed to refer to the earlier O.M.s of even number dated 3<sup>rd</sup> June, 2004 and 11<sup>th</sup> July, 2005 issued by this Ministry on the subject mentioned above. Earlier, the payment of pension to All India Service officers, including those officers who were on deputation with the Central Government, was being made by the respective State Governments on whose cadre those officers were borne. After considering the difficulties experienced by these officers and with a view to simplifying the procedure it was decided by the Government that the AIS officers who were on deputation with the Union Government at the time of retirement could opt for payment of pension and other retirement benefits through the Central Government. Accordingly, suitable instructions were issued by the Controller General of Accounts, Ministry of Finance, Department Expenditure.

2. Measures for further simplification of the procedure for payment of pension and other retirement benefits to AIS officers retiring from Government of India/ State Governments has been under consideration of the Government of India. In consultation with the Ministry of Finance and Department of Pension and Pensioners' Welfare it has now been decided that the following revised procedures/ system would be followed.

- (i) Government of India would take over the entire pension liability of all AIS officers, retired as well as retiring, both from the State and Central Government.
- (ii) All retiring AIS officers would uniformly have the option of drawal of pension through Government of India or through the State Government. Authorisation of pension for members of the services retiring from State Government would continue with the State Governments. However, officers who retire from the State Government can now opt for payment of pension from the Central Government or the State Government. Similarly, officers retiring from Government of India may opt for authorisation of pension through Government of India or the State Government.
- (iii) Existing AIS pensioners shall also be given an option to draw their pension from the State/Central Government as in the case of future retirees.
- (iv) In respect of officials retiring from the State Governments and opting to receive pension through State Government, the existing system of authorisation/issue of Pension Payment Order (PPO), payment and accounting of pension and other retirement benefits through the administrative structure of the State Governments/ Accounts General will continue as hithertofore. In these cases, the Government of India would reimburse the expenditure to the State, subject to compliance with the Central Government rules and instructions in this regard in a manner similar to the

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reimbursement of House Building Advance scheme for All India Services. Guidelines for claiming reimbursement from the Central Government would be issued separately by the Controller General of Accounts, Ministry of Finance, Government of India.

- (v) Pension authorisation, etc. of officials retiring from the Government of India and opting to draw pension through the Government of India and opting to draw pension through the Government of India, shall be processed in accordance with the O.M.s dated 3/6/2004 and 11/7/2005 referred to in paragraph 1 above.
- (vi) In respect of officials retiring from the State Government and opting to draw pension through the Government of India, a Designated Authority in each State would completely process all matters relating to the determination of pension, gratuity, adjustment/ recovery of advances/ others dues and send the PPO for further processing by the Central Pension Accounting Office, Ministry of Finance, New Delhi (CPAO). The CPAO would, thereafter, process/ forward these cases to the relevant bank branches (through whom the pensioner desires drawl of pension) in a manner similar to the other Central Civil Pensioners. The Designated Authority in each state, shall be communicated by the State Government to the CPAO.
- (vii) The banks would follow a procedure similar to those followed in respect of central civil pensioners, while disbursing pension to the All India Service officials. The 'Scheme for Payment of Pension to Central Government Civil Pensioners by Authorised Banks' shall be followed, mutatis-mutandis, in respect of AIS officials.
- (viii) Currently, the monthly pension disbursement on the PPOs of AIS officials issued by the Ministers/ Departments of GOI through CPAO, are scrolled to the accounts of the respective State Government Directly (without routing it through Government of India, will be scrolled by the banks to the CPAO, irrespective of whether the person has retired from the Central Government or State Government.
- (ix) In respect of existing pensioners opting to draw pension through Government of India, separate instructions to facilitate transition would follow.
- (x) In order to facilitate accounting, reimbursement to State Governments etc. a separate Head of Accounts for pension of AIS officers will be opened by the Controller General of Accounts, Ministry of Finance, in consultation with Budget Division, Department of Economic Affairs and Comptroller and Auditor General of India.
- (xi) Each State will prepare and send the relevant Budget Estimates against various pensionary benefits in respect of AIS officers to the CPAO by the prescribed dates.

3. Detailed operational procedure to be followed by various agencies for preparation of pension papers, issue of PPO and arranging payment and accounting of payments etc. will be issued by the Controller General of Accounts, Ministry of Finance, Department of Expenditure.

4. In case of any problem/dispute in individual cases, references may be made to the respective Cadre Controlling Authorities in the Central Government, for appropriate action, if necessary, in consultation with other Departments.

( Chaitanya Prasad )  
Director (Services)  
Tele No. 23093591

Copy to :-

1. All Ministers/ Departments of the Government of India.
2. Controller General of Accounts, Ministry of Finance, Department of Expenditure.
3. Accountants General of all the State Governments.
4. Ministry of Home Affairs, JS(Police), North Block, New Delhi-110001.
5. Ministry of Environment and Forests, JS(IFS), Paryavaran Bhavan, CGO Complex, New Delhi.
6. Ministry of Finance, JS(Pers), Department of Expenditure, North Block, New Delhi-110001.
7. Additional Secretary, Department of Pension and PW, Lok Nayak Bhavan, New Delhi.
8. NIC, Department of Personnel & Training, North Block, New Delhi-110001 with the request to put on this circular on the website (Home page>Circulars/Reports>Services Division) immediately.

Copy also to :-

1. PPS to Secretary (Personnel)/PPS to EO/PPS to AS(S&V)/PPS to JS(E)/PPS to JS(AT&A)/PPS to JS(Vig.).
2. All officers/sections of Department of Personnel & Training.

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