

**GOVERNMENT OF JAMMU AND KASHMIR,
FINANCE DEPARTMENT.**

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C I R C U L A R

The Accountant General (A&E) J&K vide No. D.O. No.TM-J/2019-20/bank/696 dated 14.10.2019 has intimated that while conducting the Annual Inspection of Treasuries of J&K by his office, it has been observed that payments of pension and family pension are not being disbursed strictly in terms of codal provisions, instructions mentioned on both portions of the PPOs issued by his Office and as per terms of the MOU between J&K Finance Department and J&K Bank. It has further been intimated that as per the MOU, the 1st payment of pension/family pension is to be disbursed by the Treasury and thereafter all subsequent payments of pension/family pension are being disbursed by the J&K Bank. The Accountant General (A&E), J&K has observed the following irregularities in pension disbursement by the units of J&K Bank during inspections by his office:-

- 1) Entries regarding disbursement of monthly pension/family pension are not being recorded by the Bank on the PPO portions, as a result actual payments cannot be verified.
- 2) Annual verification of pensioners/family pensioners is not being done properly. Life certificates, Non marriage certificates, non employment certificates, etc are not being obtained in most cases which results in over/excess payment and even fraudulent payments in these cases.
- 3) Commuted value of pension is to be restored after 15 years but the commuted value continues to be recovered/deducted from pension even after 15 years resulting in less payment to the pensioners. Moreover, different commuted portions against the pension are not being shown separately by the bank instead these are shown in lump sum.
- 4) Payment of family pension at enhanced and normal rate is not being regulated properly. Pension at enhanced rate is even paid beyond the prescribed date mentioned in the PPOs portion. This results in excess payment of pension to the family pensioners. Further, in the case of death of pensioners having more than one wife, the family pension is being paid at full rate to all the family pensioners instead of apportioned rate as mentioned in PPO halves in each case. This also results in excess payment of pension to the family pensioners.

5) Income Tax is not being deducted at source.

The business units of J&K Bank are, therefore, advised to review and introduce proper mechanism and checks to streamline the pension disbursement to prevent possibility of excess payments by the Bank.


(M.Y. Pandey)
Director General,
Accounts & Treasuries,
Finance Department.

No. DGAT/PS/DR/332

Dated: 25-11-2019

Copy to the:-

1. Chairman/Chief Executive Officer, J&K bank. He is requested to advise the Business Units to follow the above circular instructions.
2. Director, Accounts & Treasuries, Kashmir/Jammu/Ladakh.
3. All Treasury Officers.
4. Private Secretary to Financial Commissioner, Finance Department for information of the Financial Commissioner, Finance.