



CPAO/IT & Tech/Clarification/Vol-IV (P.F)(13)/21-22 / 25

17.06.2021

Subject- Clarification on Payment of Commuted Value of Pension

Office Memorandum

It has been observed that the procedure for the payment of commuted value of pension is not being strictly adhered to by the Pay and Accounts Offices and the Paying Branches of the Authorised Banks for payment of pensions. All the CPPCs of the Authorised Banks and Pay & Accounts Offices are directed to sacrosanctly follow the procedure for the payment of commuted value of pension mentioned in the "Scheme for payment of pensions to Central Government Civil Pensioners through Authorised Bank", Civil Accounts Manual, and CCS Pension Rules. The procedure for payment of commuted value of pension is reiterated as under-

1. The case in which Government servants retiring on superannuation may desire authorisation for payment of the commuted value of the pension at the time of the issue of the PPO-

- a. The Accounts Officer after necessary verification shall authorise the Head of Office to draw the amount of commuted value of pension on submission of a bill to him and hand over the cheque/draft superscribed 'Not payable before the.....' (date following the date of retirement) to the pensioner.
- b. The Account Officer shall indicate in both the halves of the PPO- gross pension, amount of pension commuted and the fact that the commuted value of pension has been authorised separately through DDO.
- c. The Account Officer shall make a note of payment of the commuted value of pension having been made to the retiring Government servant in his Service Book.

(Para 7.8.2 of Civil Accounts Manual read with
Appendix 1 of CCS Pensions Rules)

2. The case in which the pensioner who has been drawing pension through the bank and has not been paid commuted value of the pension by the Head of the Office on the authorisation issued by the Accounts Officer-

- a. The payment in such case will be made by the bank.