



**Report of the
Investigating Committee for
Investigation and Suggesting Reforms
in the Pension System of
Pakistan Railways**

**Wafaqi Mohtasib (Ombudsman)'s Secretariat
Islamabad**



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WAFAQI MOHTASIB (OMBUDSMAN)'S SECRETARIAT

FINDINGS

Complaint No. : HQR/1549/2014
Date of Registration : 26-02-2014
Name & Address of the Complainant : PRESS CLIPPING DAILY DUNYA LAHORE DATED 15-02-2014.
Name of the Agency complained against : Pakistan Railways
Hearing conducted by : 1- Mr. M. Salman Faruqui, Wafaqi Mohtasib
2- Mr. Ejaz A. Qureshi, Advisor, Wafaqi Mohtasib Secretariat, Islamabad
3- Mr. Ali Arif, Advisor, Wafaqi Mohtasib Secretariat, Lahore
4- Mr. S.M.Tahir, Honorary Advisor, Wafaqi Mohtasib Secretariat, Islamabad
5- Mr. Abdul Jabbar Ali, Additional Secretary, Wafaqi Mohtasib Secretariat, Islamabad
6- Mr. Saqib Aleem, Additional Secretary, Wafaqi Mohtasib Secretariat, Islamabad
Subject of Complaint : DELAY IN APPROVAL OF PENSION CASE OF RAB NAWAZ, EX-EMPLOYEE OF PAKISTAN RAILWAYS
Date when Report called from Agency : 26-02-2014
Date of Receipt of Complete Report : 01-03-2014
Number & Dates of hearing : i) Number- 4
ii) Dates: 07-03-2014, 19-03-2014, 01-04-2014 and 02-04-2014
Date of Dispatch of Draft Findings : 17-04-2014

THE COMPLAINT

The daily "Dunya" Islamabad on 14.02.2014 published a news item according to which Rab Nawaz an ex-employee of Pakistan Railways used to come from Pakpattan to Lahore almost every week to pursue his pension case but the Accounts and Personnel branches of the Pakistan Railways Headquarters, Lahore could not finalize his case due to different objections about his date of birth and his actual date of appointment. The Railway authorities failed to finalize the pension case during five months and he ultimately died due to sudden heart attack during his last visit to the Railways Headquarters to seek early approval of his pension case.

2. The Hon'ble Wafaqi Mohtasib took cognizance of the matter published in the daily "Dunya" on 14.02.2014 and other media reports regarding non-approval of the case of retired railways employee, Mr. Rab Nawaz who pursued his pension payment case without success for several months.

AGENCY'S RESPONSE

3. The General Manager (Operations) Pakistan Railways Headquarters, Lahore stated in the hearing in Lahore on 14.03.2014 that Mr. Rab Nawaz while working as Pointsman under Station Master of Chah Noor Muhammad retired on 02.09.2013. He did not submit his pension papers duly signed by him as required under the rules. However, Personnel branch of Divisional Superintendent office initiated his case on 02.10.2013 on its own. The Accounts Branch while scrutinizing the papers made observations on the fixation statement stating that late Rab Nawaz, was originally appointed on 02.12.1985 while the date of appointment in his service book was recorded as 05.07.1980 without any documentary evidence. Therefore, the proposed fixation statement was found

incorrect as his pay was wrongly fixed from 1980, whereas he was engaged as Pointsman on 24.04.1983. As for the period from 05.07.1980 to 23.04.1983 the employee received pay which was calculated over and above his actual entitlement. The pay was fixed from 24.04.1983 and statement of fixation was accordingly revised. Hence the case remained under process between Personnel and Accounts branches and, finally, the issue was resolved on 13.02.2014. Mr. Rab Nawaz was asked to come to office and submit his pension papers duly signed by him. He, therefore, appeared in the office of Divisional Superintendent Pakistan Railways, Headquarters, Lahore on 14.02.2014 alongwith papers but unfortunately he died on the same day. After the death of Rab Nawaz, Assistant Personnel Officer Lahore Division was deputed on the same day to collect the pension papers from the widow of the deceased employee from her residence in Pakpattan. His settlement dues were arranged and paid to his widow on 17.02.2014.

POINTS AT ISSUE

5. The point at issue is whether the statement of Mr. Akhtar Nawaz S/O late Rab Nawaz that his deceased father had repeatedly visited Pakistan Railways Headquarters but his pension was not sanctioned on the plea that his father's date of appointment was doubtful, necessitates a systemic improvement in the system of finalization of pensionary dues of Railways employees so that such heart-rending tragedies can be prevented in the future.

6. It was not the only case of its nature. Even in the past a retired employee of Mughalpura Workshop of Pakistan Railways died in the process of getting his pensionary dues. He kept on sitting outside the National Bank of Pakistan throughout the night to get the emoluments but unfortunately died of heart attack in the early hours of next day.

HEARING PROCEEDINGS

7. During the hearing of the case on 19-03-2014 by the Hon'ble Wafaqi Mohtasib in Lahore, the General Manager of Pakistan Railways stated that he did not wish to counter the allegations made by Mr. Akhtar Nawaz, son of late Rab Nawaz. The General Manager in his statement said that late Rab Nawaz did not submit his application for pension. He further added that the matter relating to discrepancy in the date of birth of the deceased former employee could have been resolved by the dealing branches much earlier before his date of retirement.

8. The General Manager of Pakistan Railways, Lahore conveyed that Federal Minister for Railways, Khawaja Saad Rafique, also took serious notice of this sad incident which ended in death of a former railway employee in pursuing his pensionary benefits. The Minister for Railways appreciated the initiative of the Hon'ble Wafaqi Mohtasib and hoped that the Mohtasib Office would suggest measures for institutional reforms in Pakistan Railways with a view to effecting improvements in their system and procedures for efficiently and timely handling the pension cases in the future.

9. Hon'ble Wafaqi Mohtasib constituted a Committee to look into the causes of inordinate delay, which occurred in finalization of this case, and suggest remedial measures to avoid such incidents in the future and also suggest improvements in the overall system of payment of pensionary benefits. The Committee comprised the following :-

- i- Mr. Ejaz A. Qureshi, Advisor, Wafaqi Mohtasib Secretariat, Islamabad (former Chief Secretary / Federal Secretary Railways))
- ii- Mr. Ali Arif, Advisor, Wafaqi Mohtasib Secretariat, Lahore (former Federal Secretary and a former Officer of Railways (Transportation and Commercial) Group

- iii- Mr. S. M. Tahir, Honorary Advisor, former Special Secretary, Wafaqi Mohtasib Secretariat), Islamabad
- iv- Mr. Abdul Jabbar Ali, Additional Secretary, Wafaqi Mohtasib Secretariat, Islamabad (a former officer of Railways (Transportation and Commercial) Group
- v- Mr. Saqib Aleem, Additional Secretary, Wafaqi Mohtasib Secretariat, Islamabad

10. Mr. Ayub Tarin, former Additional Auditor General and an officer of Pakistan Audit and Accounts Service also assisted this committee and provided his input based on the current system of approval and disbursement of pensions of the ministries/departments of the federal government in general and of Pakistan Railways in particular.

11. The Committee looked into the matter in the light of the statements given by the officials of Pakistan Railways and Mr. Akhtar Nawaz S/O late Rab Nawaz and also the rules and regulations relating to the grant of pension and gratuity to the retired government employees of the federal government's ministries and departments. The Committee's separate report is attached and is a part of these findings. It made the following recommendations to streamline the existing system of pensionary benefits to the retirees of the ministries/ departments and offices of the federal government in general, and of Pakistan Railways in particular.

12. **RECOMMENDATIONS**

- i. The Agency shall maintain a computerized list showing the dates of retirement of all their officers and staff who are due to retire within a financial year and review progress of those cases on quarterly basis.

- ii. Head of Department for officers in BS-16 and above and Head of Office for BS 1-15 shall monitor and ensure fast track completion of service records and their entries in computerized system since it is essential for calculating qualifying service, which then forms the basis to work out the pension.
- iii. Focal persons within the Agency, not below BS-20, with support staff shall be appointed to exclusively monitor and resolve pension matters immediately, completion of service record of officers and staff, and ensure that they are regularly updated, and liaise with audit/accounts office for finalization of pension cases. The Accounts offices shall also nominate their focal persons.
- iv. Keep the pensioner updated with regard to his pension case through communication with him at least three months before his date of retirement and his acknowledgment for having seen his papers shall be obtained.
- v. Within Wafaqi Mohtasib's Secretariat, an Advisor shall be appointed as the focal person to promptly attend to complaints relating to pension.
- vi. Infrastructure for pension payment shall be upgraded.
- vii. Computerized service record of all employees including entering the service books in the system shall be started and completed by 31st December 2014. The PIFRA authorities may be approached for assistance since they have configured it in their system.
- viii. Switchover from manual to system-based pension payment i.e.

direct monthly credit to pensioner's bank account and withdrawal through ATM shall be made within the financial year 2014-15, and, at a later stage, use of biometrics with the concerned bank branches to facilitate the pensioners and eliminate any ghost pensioners shall also be made.

- ix. Dissemination of information shall be made about Direct Credit System and steps shall be taken to popularize it in order to universalize its use in the organization.
- x. The computerized system shall introduce **Online Alert System**, which shall keep issuing "**warning alerts**" to the employees (with copy to the focal person) six months before their retirement so as to enable them to get their own data updated.
- xi. The cheques once issued to the employees for payment of their settlement dues, shall be honored by the banks and the Railway Administration shall ensure that there is no excuse for any budgetary constraint what so ever so that no single case is delayed on this account.
- xii. Pension case shall be sent to the Accounts Office complete in all respects according to a checklist containing all necessary items.
- xiii. The Agency shall adopt a decentralized system for processing pension cases.
- xiv. In order to curb corrupt practices, the Agency shall process the pension cases in an open/transparent manner.
- xv. Disposal of pension cases shall not be left to the operational level

only; it shall be supplemented by appropriate supervisory level checks.

- xvi. All ministries/divisions/departments must follow the guidelines given in "A Manual of Pension Procedures" issued by PPARC, Establishment Division in 2006.
- xvii. The General Manager Railways, or the CEO, if any, at a later stage, shall be personally responsible to ensure implementation and compliance of these instructions.

13. The General Manager, Pakistan Railways, Lahore shall submit the first report to the Wafaqi Mohtasib's Office within 30 days indicating the progress achieved by him in implementing the above recommendations.


(M. SALMAN FARUQUI)
WAFAQI MOHTASIB (OMBUDSMAN)
18 April 2014

The daily "Dunya" Islamabad on 14.02.2014 published a news item about sudden death of an ex-employee of Pakistan Railways, Mr. Rab Nawaz, who frequently visited Pakistan Railways Headquarters Lahore to get his pension sanctioned. According to the news item, late Rab Nawaz used to come from Pakpattan to Lahore almost every week to pursue his pension case during the last five months, but the Accounts and Personnel branches of the Pakistan Railways Headquarters, Lahore did not finalize his case due to raising different objections one after the other. The Railway authorities raised objections about his date of birth and his actual date of appointment. The same authorities failed to finalize the pension case during the five months till his death and he ultimately died due to a sudden heart attack during his last visit to the Railways Headquarters to seek early approval of his pension case. The news item reflected on the callous and relentless attitude of Railways authorities towards its retired employees.

2. The Hon'ble Wafaqi Mohtasib took cognizance of the matter reported in the press clipping published in the daily "Dunya" on 14.02.2014 and other media reports regarding non-approval of the case of retired railways employee, Mr. Rab Nawaz who was pursuing his pension payment case without success for several months.

3. The comments of the General Manager (Operations) Pakistan Railways Headquarters, Lahore were called for. In response, it was reported by him on 14.03.2014 that Mr. Rab Nawaz while working as Pointsman under Station Master of Chah Noor Muhammad retired on 02.09.2013. He did not submit his pension papers duly signed by him as required under the rules. However, Personnel branch of Divisional Superintendent office initiated his case on 02.10.2013, on its own. The Accounts Branch while scrutinizing the papers made observations on the fixation statement stating that he, i.e. late Rab Nawaz, was originally appointed on 02.12.1985 while the date of appointment in his service book was recorded as 05.07.1980 without any documentary evidence. Therefore, the proposed fixation statement was found incorrect as his pay was wrongly fixed from 1980, whereas he was engaged as Pointsman on 24.04.1983. As for the period from 05.07.1980 to 23.04.1983 the employee received pay which was calculated over and above his actual entitlement. The pay was fixed from 24.04.1983 and statement of fixation was accordingly revised. Hence the case remained under process between Personnel and Accounts

branches and, finally, the issue was resolved on 13.02.2014. Mr. Rab Nawaz was asked to come to office and submit his pension papers duly signed by him. He, therefore, appeared in the office of Divisional Superintendent Pakistan Railways, Headquarters, Lahore on 14.02.2014 alongwith papers but unfortunately he died on the same day. After the death of Rab Nawaz, Assistant Personnel Officer Lahore Division was deputed on the same day to collect the pension papers from the widow of the deceased employee from her residence in Pakpattan. His settlement dues were arranged and paid to his widow on 17.02.2014.

4. Akhtar Nawaz, the son of late Rab Nawaz held the Accounts and Personnel branches of Railways Headquarters responsible for the sudden death of his father due to heart attack and demanded stern action against those responsible for delay in finalizing the pension case. He further added that if his late father had greased the palm of the officials in those branches, his pension would have been approved much earlier, and may be he would have been alive till today. He pointed towards corrupt practices prevailing in the Railways Headquarters.

POINTS AT ISSUE

5. The point at issue is whether the statement of Mr. Akhtar Nawaz s/o late Rab Nawaz, during the hearing of this case before the Hon'ble Wafaqi Mohtasib at Lahore on 19-03-2014, that his deceased father had repeatedly visited Pakistan Railways Headquarters but his pension was not sanctioned on the plea that his father's date of appointment was doubtful, brings to the fore the need for a systemic improvement in the system of finalization of pensionary dues of Railways employees so that such heart-rending tragedies can be prevented in the future. According to Mr. Akhtar, the plea that his father did not submit his duly signed pension papers, is not plausible adding that his signatures could have been obtained during one of his several visits to the Headquarters of the Pakistan Railways in Lahore.

6. It was not the only case of its nature. Even in the past a retired employee of Mughalpura Workshop of Pakistan Railways died in the process of getting his pensionary dues. He kept on sitting outside the National Bank of Pakistan throughout the night to get the emoluments but unfortunately died of heart attack in the early hours of next day.

HEARING PROCEEDINGS

7. The Hon'ble Wafaqi Mohtasib conducted two hearings of this case; the first in Islamabad on 07-03-2014 and the second in Lahore on 19-03-2014. During the hearing of the case on 19-03-2014 by the Hon'ble Wafaqi Mohtasib in Lahore, the General Manager of Pakistan Railways stated that he did not wish to counter the allegations made by Mr. Akhtar Nawaz, son of late Rab Nawaz. The General Manager in his statement said that late Rab Nawaz did not submit his application for pension. He further added that the matter relating to discrepancy in the date of birth of the deceased former employee could have been resolved by the dealing branches much earlier before his date of retirement.

8. The General Manager of Pakistan Railways, Lahore conveyed that Federal Minister for Railways, Khawaja Saad Rafique, also took serious notice of this sad incident which ended in death of a former railways employee in pursuing his pensionary benefits. The Minister for Railways appreciated that the Hon'ble Wafaqi Mohtasib had taken cognizance of this case and hoped that the Mohtasib Office would suggest measures for institutional reforms in Pakistan Railways with a view to effecting improvements in their system and procedures for efficiently and timely handling the pension cases in future. The General Manager promised to offer a suitable job to the son of late Rab Nawaz in Pakistan Railways.

9. Hon'ble Wafaqi Mohtasib constituted a Committee to look into the causes of inordinate delay, which occurred in finalization of this case, and suggest remedial measures to avoid such incidents in the future and also suggest improvements in the overall system of payment of pensionary benefits. The Committee comprised the following:-

- 1- Mr. Ejaz A. Qureshi, Advisor, Wafaqi Mohtasib Secretariat, Islamabad (former Chief Secretary and Federal Secretary)
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10. Mr. Ayub Tarin, former Additional Auditor General and an officer of Pakistan Audit and Accounts Service also assisted this Committee and provided his input based on the current system of approval and disbursement of pensions of the ministries/departments of the federal government in general and of Pakistan Railways in particular.

11. The Committee looked into the matter in the light of the statements given by the officials of Pakistan Railways and Mr. Akhtar Nawaz s/o late Rab Nawaz and also the rules and regulations relating to the grant of pension and gratuity to the retired government employees of the federal government's ministries and departments and made the following observations and recommendations.

COMMITTEE'S OBSERVATIONS:

12. The members of the Committee observed that despite existence of detailed rules and issuance of governmental instructions from time to time as given in Liberalized Pension Rules 1977 and ancillary Instructions and Articles of Civil Service Regulations, many cases of delays are quite frequently reported. This makes one believe that the system is malfunctioning; it does not provide adequate safeguards to protect pensioner's interests, and lacks an effective enforcement mechanism for implementation of pension rules. It is more than a simple case of slackness on the part of the concerned Agency. It is symptomatic of a larger problem i.e. lack of supervisory checks, weakness in internal controls and absence of a viable monitoring mechanism in the organization.

13. In the instant case, deficiency in the service record of the pensioner continued to exist till the date of his retirement and even went unnoticed at the time of granting him LPR and was only rectified on the very day the retiree died. Why did not the system, or those who managed or supervised it, notice the deficiencies pertaining to the years 1980-85 in the service records during the entire period of thirty years? Had the service book been properly

maintained, timely updated and the list of officials due to retire in a year's time been prepared as laid down in the pension rules the deficiencies would have been detected in time and corrective measures could have been taken much earlier.

14. Measures to be taken to avoid delay in finalization of pension cases

a. The most important factors relevant to the determination of amount of pension/gratuity are the length of qualifying service rendered by a government servant before retirement/death and average emoluments. The authorities concerned should, therefore, take effective steps to ensure that service records are kept up to date. These include history files, which all divisions/departments/offices should maintain for each employee in B-16 and above. Similarly all audit/accounts offices should compile History of Service in respect of those employees in B-16 and above regularly and keep them up to date. For all B-1 to B-15 government servants, service books in the prescribed form should be maintained in duplicate wherein every step in government servant's official life must be recorded and attested.

b. **Verification of service.** At a fixed time early in the year the service books should be taken up for verification by the Head of Office, who after satisfying himself that services of the government servants concerned are correctly recorded, should record a certificate to this effect in the service book. In case the government servant has served in other offices, necessary verification is required to be got done from those offices, well in time.

c. **Verification of service by Audit/Accounts Officer:** The services of a government servant should be verified by the concerned audit/accounts office as soon as he has completed 10 years service, thereafter the next verification should be on completion of 24 years service and then finally when a government servant is due to retire. In the case of B-16 and above employees, the fact of verification should appear in the history of service.

d. With a view to ensuring timely action in pension cases the divisions/departments/offices should maintain 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.

15. Procedure Relating to Preparation of Pension Papers and Sanction of

Pension: The existing procedure relating to preparation of pension papers and sanction of pension is as follows :-

- a. Heads of Departments (for B-16 and above officers) and heads of offices (for B-1 to B-15 employees) should start preparing pension papers in each case one year before the expected date of retirement without waiting for formal application from the government servant concerned, which is to be submitted not earlier than six months before the date of retirement.
- b. Records to see whether any recoveries are due may be consulted and if any disciplinary action is pending the same may be finalized and recoveries made before the date of retirement.
- c. Request for furnishing No Demand Certificate should be made to all concerned at least six months before the date of retirement. If the demand is not intimated within the time limit, the pension case should not be held up on that account and the department/office, which has failed to intimate the outstanding demand by the due date, should be held responsible.
- d. The payment of pension should not be held up merely for want of No Demand Certificate. In cases where it is not available, PPO may be issued by the audit/accounts officer for payment subject to an undertaking by the pensioner to the effect that any demand coming to notice within a period of one year after the issuance of PPO, would be recoverable from the pension.
- e. The Head of the Department or Office should alert the Estate Office six months before the date of retirement of a government servant to bring his rent account up to date so that the outstanding dues, if any, are realized before the date of retirement.
- f. Last Pay Certificate: It shall be mandatory for the Drawing and Disbursing Officers and the audit and accounts authorities to issue Last Pay Certificate (LPC) within 15 days of the date of retirement of government servants.
- g. When a pension case is initiated, a Progress Sheet should be attached with it

showing the dates with which specific action should be taken. This action should move with the pension case from the administrative authority to audit/accounts office and should be returned to the administrative authority after the pension payment order has been issued.

h. Formats of the Progress Sheet for pension cases and steps relating to preparation and disposal of a pension case are at **Annex A and B**, respectively.

i. The audit/accounts officer should issue the pension payment order in cases where all necessary documents/information are available with him, a fortnight before the expected date of retirement. Checklists showing necessary documents/information, which must accompany pension application of a government servant or recipient of a family pension are at **Annex C and D**, respectively.

j. When a pension case is found deficient on account of incomplete record, the pensioner may be allowed anticipatory pension, upto 80% of his pension, subject to conditions at Sl. No. 38 of "A Manual of Pension Procedures 2006" published by Pakistan Public Administration Research Centre of the Establishment Division Islamabad.

k. The Pakistan Public Administration Research Centre of the Establishment Division issued, in 2006, an up-dated edition of "A Manual of Pension Procedure" to ensure expeditious disposal of pension cases of retired government servants. It is a comprehensive document which contains information relevant to all types of pension. Ministries/divisions/departments must maintain a copy of this document and follow its provisions for early disposal of pension cases.

FAMILY PENSION

16. Family Pension is a pension paid to family (as defined in Pension Rules) on death of a government servant during service or after retirement as per order of eligibility given at para 18 below.

17. In case of death of a government servant during service documents as per **Annex C**

are required to be submitted along with Pension Application Form. In case a government servant is deceased and family pension is payable to the widow or other claimants, documents as per **Annex D** are required to be submitted along with Pension Application Form.

18. In case of death of a civil servant while in service, gratuity in lieu of one fourth of the gross pension will be allowed. In addition, family pension will be admissible at 75% of gross pension to the widow for her life or till her remarriage. In the case of death of a widow the family pension will be admissible to the sons, if any, until they attain the age of 21 years and the eldest surviving unmarried daughter till her marriage; if the eldest daughter marries or dies the next eldest daughter till her marriage. In the case of death of a pensioner after retirement, family pension at 75% of the pension (net, or gross, as the case may be), will be admissible to the widow, or sons, or daughters as per aforementioned criteria.

19. The family pension, in the event of death of government servant, will be payable to the members of his family or to his dependent relatives in the following order, i.e. the title will pass from one to the next in the event of former having died or become otherwise ineligible:-

- a. Widow of the deceased, if he was male government servant or to the husband of the deceased, if she was female. If the government servant had more than one wife, but the total number of surviving widows and children does not exceed four, the pension is divided in equal shares among the widows and children (excluding sons above the age of 21 years and the married daughters); where the number of surviving widows and children is more than four, the pension will be divided in such a way that each surviving widow should get one fourth of pension and the balance, if any, will be divided equally amongst the surviving children (excluding the sons above the age of 21 years and married daughters).
- b. Eldest surviving son upto the age of 21 years
- c. The eldest surviving unmarried daughter till her marriage; if the eldest daughter marries or dies the next eldest daughter till her marriage
- d. Eldest widowed daughter
- e. Eldest widow of a deceased son of the government servant

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- f. Eldest surviving son upto the age of 21 years of a deceased son of the government servant
 - g. Eldest surviving unmarried daughter upto the age of 21 years of a deceased son of the government servant
 - h. Eldest widowed daughter of a deceased son of the government servant
 - i. If the pension was not payable to any member of the family detailed above, it is payable in the following order:
Father, mother, eldest surviving brother upto the age of 21 years, eldest surviving unmarried sister upto the age of 21 years and eldest surviving widowed sister
 - j. The pension to the above persons will be payable if it is proved that such person was dependent on the deceased government servant for support.
 - k. The pension will be payable to one member at a time. When it is not payable to him/her on account of his/her death or due to the reasons as stated above, the pension will be paid to the next claimant in the order of eligibility.
 - l. Where gratuity/pension is payable to minor or minors, payment is made to the regularly appointed manager or guardian. Where there is no guardian, the sanctioning authority may allow the payment to their mother. In case the mother is not alive or was judicially separated from the government servant in his life time, the sanctioning authority may nominate any suitable person to be the guardian for the purpose. For female government servant, the payment can be made to the father of minor children.

(The above criteria need to be seen in light of Finance Division O.M. No. F.2(2) Reg. 6/96 dated 3-7-1997.)

20. As provided in Pension Rules, documents along with Pension Application Form are required to be submitted through the department where the deceased had served. Also, in view of the fact that eligibility criteria is quite elaborate and the dependents are not familiar with official matters, it is official as well as moral obligation of the department to ensure that

the pension case is processed promptly and the claimants get the pension due to them as per order of eligibility.

21. Use of technology to overcome delays in the disposal of pension cases

a. Computerization of service record of all officers/staff: History of Service in case of BS-16 and above officers and Service Books of staff need to be computerized to cope with the problem of increasing volume of work and frequency of errors in manual handling of the records. Railway authorities are advised to implement this project by 31st December 2014. Assistance of the Project for Improvement of Financial Reporting and Auditing (PIFRA) may be sought, if needed.

b. Switch over from manual to system-based pension payment, including the use of Direct Credit System (DCS). The Direct Credit System, or DCS is a replica of monthly payroll. It replaces manual pension disbursement system as pension is directly sent to pensioner's bank account. **Advantages of using DCS would be:-**

i. For the pensioners:-

- They will get their pension at bank branch of choice (of any scheduled bank).
- They can draw their pension using the facility of ATMs and hence will avoid the inconvenience of waiting in long queues.
- They will benefit from system-based increases that the Government or the courts may allow in the future.
- Any chances of over/under payments would be eliminated.
- More than 6,500 branches of commercial banks will serve as disbursement points.

ii. For the Government:-

- Transparent payment procedure and documented trail of each transaction will be available.
- Pension payment would be subject to effective budgetary checks.

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- Will serve as a monitoring tool and a basis for future estimation.
 - It will provide system-based 100% post audit of all payment transactions.
 - It will help eliminate any ghost pensioners.

iii. The DCS Procedure:-

- Opening of a bank account for receipt of pension: State Bank of Pakistan has issued necessary instructions to all banks.
- Indemnity Bond: It is a bank's requirement.
- Option Form: verified by the Bank.
- Application by pensioner to the Accounts Office.
- Return of Pension Payment Order and Bank/Disburser Half in original.

22. Recommendations: Based on the aforementioned facts and procedures, the following recommendations are made to streamline the existing system of pensionary benefits to the retirees of the ministries/departments and offices of the federal government in general, and of the Pakistan Railways in particular.

- i. The Agency should maintain a computerized list showing the dates of retirement of all their officers and staff who are due to retire within a financial year and review progress of those cases on quarterly basis.
- ii. Head of Department for officers in BS-16 and above and Head of Office for BS 1-15 should monitor and ensure fast track completion of service records and their entries in computerized system since it is essential for calculating qualifying service, which then forms the basis to work-out the pension.
- iii. Focal persons within the Agency, not below BS-20, with support staff be appointed to exclusively monitor and resolve pension matters immediately, completion of service record of officers and staff and ensure that they are regularly updated, and liaise with audit/accounts office for finalization of pension cases. The Accounts offices shall also nominate their focal persons.
- iv. Keep the pensioner updated with regard to his pension case through

communication with him at least three months before his date of retirement and his acknowledgment for having seen his papers be obtained.

- v. Within Wafaqi Mohtasib's Secretariat, an Advisor would be appointed as the focal person to promptly attend to complaints relating to pension.
- vi. Infrastructure for pension payment needs to be upgraded.
- vii. Computerized service record of all employees including entering the service books in the system be started immediately and completed by 31st December 2014. The PIFRA authorities may be approached for assistance since they have configured it in their system.
- viii. Switch over from manual to system-based pension payment i.e. direct monthly credit to pensioner's bank account and withdrawal through ATM and, at a later stage, arrange use of bio-metrics with the concerned bank branches to facilitate the pensioners and eliminate any ghost pensioners.
- ix. Disseminate information about Direct Credit System and take steps to popularize it in order to universalize its use in the organization.
- x. The computerized system should introduce **Online Alert System**, which shall keep issuing “**warning alerts**” to the employees (with a copy to the focal person) six months before their retirement so as to enable them to get their own data updated.
- xi. The cheques once issued to the employees for payment of their settlement dues, must be honored by the banks and the Railway Administration shall ensure that there is no excuse for any budgetary constraint what-so-ever so that no single case is delayed on this account.
- xii. Pension case may be sent to the Accounts Office complete in all respects according to a checklist containing all necessary items.
- xiii. The Agency should adopt a de-centralized system for processing pension cases.
- xiv. In order to curb corrupt practices, the Agency should process the pension

cases in an open/transparent manner.

xv. Disposal of pension cases may not be left to the operational level only; it may be supplemented by appropriate supervisory level checks.

xvi. All ministries/divisions/departments must follow the guidelines given in "A Manual of Pension Procedures" issued by PPARC, Establishment Division in 2006.

xvii. The General Manager Railways, or the CEO, if any, at a later stage, should be personally responsible to ensure implementation and compliance of these instructions.

- 1- (Ejaz A. Qureshi),
Advisor, Wafaqi Mohtasib Secretariat, Islamabad

- 2- (Ali Arif)
Advisor, Wafaqi Mohtasib Secretariat, Lahore

- 3- (S.M. Tahir)
Honorary Advisor, Wafaqi Mohtasib Secretariat, Islamabad

- 4- (Abdul Jabbar Ali)
Additional Secretary, Wafaqi Mohtasib Secretariat, Islamabad

- 5- (Saqib Aleem),
Additional Secretary, Wafaqi Mohtasib Secretariat, Islamabad

Annex-A

Progress Sheet for pension cases :

1. Name of retiring Government servant.
2. Post held.
3. Date of birth.
4. Expected date of retirement.

	Due date	Action	
		Initiated On	Completed On
Initiate preparation of pension papers.	One year before the expected date of retirement.		
Checking of records to see whether any recoveries of Government dues are outstanding.			
Obtaining of formal application for pension from would be pensioner.	Six months before the expected date of retirement.		
Request for furnishing 'No Demand Certificate'.			
Writing to Estate Office to bring sent account up-to-date.			
finalization of pension papers in administrative department and their submission to Audit Office.	At least three months before the expected date of retirement.		
issue of Pension Payment Order.	Fortnight before the expected date of retirement.		

**Steps relating to preparation and disposal
of an ordinary pension case :**

One year before the date of retirement.

- STAGE I**
- (i) The office responsible for initiating the case starts filling up of working copy of the Pension Application Form.
 - (ii) Checks records to see whether any recoveries of Government dues are outstanding.
 - (iii) Attach a Progress Sheet showing the dates by which specific action is required.

Six months before the date of retirement

- STAGE II**
- (i) Obtain formal application from the would-be pensioner.
 - (ii) Requests the parties concerned for issue of "No Demand Certificate".
 - (iii) Warns the Estate Office to bring the rent account up-to-date

Six to three months before the date of retirement

- STAGE III**
- (i) Completes the pension papers for submission to sanctioning authority.
 - (ii) Sanctioning authority records orders.
 - (iii) Forwarding of papers to the Audit office.

Three months to fortnight before the date of retirement

- STAGE IV** {
- (i) Audit Office checks the pension papers.
 - (ii) Audit Office issues the P.P.O.
 - (iii) Allows anticipatory pension in case delay is likely to take place in finalization.

After the issue of P.P.O.

- STAGE V** {
- (i) Audit Office returns the Progress Sheet.
 - (ii) DS/JS examines the Progress Sheet.

Annex-C

Check list of Necessary Documents for the Pensioners

1. Ministries/divisions/departments should start preparation of pension papers one year prior to the date of retirement. These include, among others, completed service bio data and service book, duly attested.
2. Pensioner/representative of the Department should submit the pension papers completed in all respects at the designated counter of the Accounts office atleast three months before the date of retirement.
3. Two sets of the following documents, duly attested, are required to be submitted:
 - i. Application for pension on form CSR 25
 - ii. Notification of retirement
 - iii. Specimen signature and thumb/finger prints
 - iv. Attested copies of two photographs and two ID cards
 - v. Complete detail of family including form B issued by NADRA
 - vi. An undertaking that any outstanding government dues coming to notice during one year of the retirement shall be refunded
 - vii. An undertaking not to take part in politics during 2 years after retirement
 - viii. No demand certificate from the concerned department
 - ix. Clearance certificate from the estate office in case official accommodation has been allotted to the pensioner
 - x. Name of the branch of the bank and account number. In case the pensioner opts for DCS, name of any commercial bank, and name of branch and account number
 - xi. Completed original service book with duplicate copy duly attested
 - xii. Last pay certificate along with last computerized salary slip
 - xiii. Certificate of medical board in case of retirement on medical grounds
4. **For death during service the following additional documents are also required;**
 - i. An affidavit on stamp paper by the widow regarding non marriage, non separation during life and being the only widow
 - ii. Death certificate of the deceased employee
 - iii. Request for waiver of outstanding government loan, if any.

Documents Required for Family Pension

In case of death after retirement, two sets of the following attested documents are required for payment of family pension:

- i.** Application for family pension through concerned department
- ii.** Death certificate of the deceased pensioner
- iii.** Specimen signature/thumb and finger prints
- iv.** Two copies of ID card and 2 photographs
- v.** Complete detail of family including form B issued by NADRA
- vi.** Name of the branch of the bank and account number. In case the pensioner opts for DCS name of any commercial bank, and name of branch and account number
- vii.** Original pension book of the deceased pensioner
- viii.** An affidavit on stamp paper by the widow regarding non-marriage, non-separation during life and being the only widow
- ix.** An undertaking that any excess pension coming to notice shall be refunded
- x.** An affidavit on stamp paper in case of unmarried daughter



FEDERAL OMBUDSMAN

Wafaqi Mohtasib (Ombudsman)'s Secretariat
36- Constitution Avenue, Islamabad - Pakistan
Tele: 92-51-9217206-10, Fax: 92-51-9217224

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