



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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**Reserve Bank of India [Disbursement of Government Pension by Agency Banks
(ABs)] Directions, 2026**

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In terms of Sections 20, 21 and 21A of the Reserve Bank of India Act, 1934, the Reserve Bank of India (hereinafter referred to as 'RBI' or 'Reserve Bank') acts as banker to the Central and State Governments. RBI carries out the general banking business of the Central and State Governments through its own offices and through the offices of the Agency Banks appointed under Section 45 of the Reserve Bank of India Act, 1934, by mutual Agreement, having regard to public interest and convenience of banking development. The Reserve Bank, in its role as banker to the Central Government and State Governments, hereby issues the following instructions/directions, to the Agency Banks, for the seamless conduct of Government business.

Chapter I – Preliminary

A. Short Title and Commencement

1. These Directions shall be called the Reserve Bank of India [Disbursement of Government Pension by Agency Banks (ABs)] Directions, 2026.
2. These Directions shall come into force with immediate effect.

B. Applicability

3. These Directions shall be applicable to the ABs which are authorized to disburse Central Government (CG) and State Government (SG) pension.

C. Definitions

4. In this Master Direction, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:
 - (1) 'ABs' means all Public Sector Banks (PSBs), scheduled Private Sector Banks (PVBs), scheduled Payments Banks (PBs) and scheduled Small Finance Banks (SFBs) appointed by RBI under Section 45 of the RBI, Act, 1934, by mutual agreement, to carry out Government Banking business of CG / SGs.
 - (2) 'Jeevan Pramaan' means a biometric enabled digital service for pensioners of CG, SG or any other Government organization.



All other expressions unless defined herein shall have the same meaning as have been assigned to them under the applicable Acts, Rules / Regulations made thereunder, or any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.



Chapter II – Implementation of Government Orders

A. Government Orders on Dearness Relief (DR), etc., available on its website

5. In order to obviate the time lag between issue of DR Orders and payment of DR to the beneficiary, and to render expeditious service to senior citizens, the procedure of forwarding related Government Orders in respect of DR, etc., through RBI to ABs had been discontinued. ABs shall, therefore, act expeditiously on the basis of copies of Government Orders provided by Government to them through post, fax, e-mail, etc., and/or by regularly accessing the Government websites.

B. Prompt implementation of Government's Orders by ABs

6. All ABs shall scrupulously follow all the orders contained in various notifications of Government (Central as well as States) and take necessary action immediately without waiting for any further instructions from RBI.

C. Timing of pension disbursement by ABs

7. The ABs shall credit the pension amount in the accounts of the pensioners based on the orders given by respective Pension Sanctioning Authorities (PSAs).



Chapter III – Refund of excess pension payment to Government

A. Excess pension payment due to error on part of ABs

8. If the excess/wrong payment to the pensioner is due to errors committed by the AB, the entire amount thereof should be credited to the Government account in lump sum immediately. This action is independent of recovery from the pensioner. ABs shall seek guidance from respective PSAs regarding the process to be followed for recovery of excess pension paid to the pensioners, if any.

B. Excess pension payment due to error on part of Government

9. If the excess/wrong payment to the pensioner is due to errors committed by the Government, ABs shall take up the matter, with the full particulars of the cases, with respective Government department without reference to the RBI, for a quick resolution of the matter. However, this must be a time bound exercise and the Government authority's acknowledgement to this effect must be kept on the AB's record.



Chapter IV – Withdrawal of pension by old/ sick/ disabled/ incapacitated pensioners

A. Guidelines on withdrawal of pension

10. In order to take care of problems/ difficulties faced by sick and disabled pensioners in withdrawal of pension / family pension, ABs shall categorize such pensioners as under:

- (a) Pensioner who is too ill to sign a cheque / unable to be physically present in the branch but can put his/her thumb impression on the cheque/withdrawal form.
- (b) Pensioner who is not only unable to be physically present in the branch but also not able to put his/ her thumb impression on the cheque/ withdrawal form due to certain physical defect / incapacity.

11. With a view to enabling such old/ sick/ incapacitated pensioners to operate their accounts, ABs shall follow the procedure as under:

- (a) Wherever thumb or toe impression of the old/ sick pensioner is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official
- (b) Where the pensioner cannot even put his/ her thumb/ toe impression and also is unable to be physically present in the bank, a mark can be obtained on the cheque/ withdrawal form, which should be identified by two independent witnesses, one of whom should be a responsible bank official
- (c) The pensioner may also be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque / withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the bank should be asked to furnish his signature to the bank
- (d) In case the pensioner cannot sign due to loss of both hands, reference may be drawn to the Supreme Court judgement reported in AIR 1950 – Supreme Court, 265, that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the



mark being put by an instrument which has had a physical contact with the person who has to sign.

The responsible bank official referred to in Para 11(a) and 11(b), should be from the same bank, preferably from the same branch, where the pensioner is having his/ her pension account.

B. Display of instructions in bank branches

12. The ABs' branches should display the instructions issued in this regard on their notice board so that sick and disabled pensioners could make full use of these facilities. ABs shall strictly implement the instructions issued by RBI regarding the facilities to be provided to the sick and disabled persons, sensitise staff members in the matter, and refer to the Frequently Asked Question (FAQs) on '[Payment of Pension to Government Pensioners](#)' hosted on our website (www.rbi.org.in) in case of any doubt.



Chapter V – Reimbursement of pension payments

13. Link branches of ABs shall submit reimbursement claims to Central Accounts Section (CAS), Nagpur, RBI / Government Banking Divisions (GBDs) of respective Regional Offices (ROs) for CG / SG pension payments, respectively.

14. Single Window System (SWS) was introduced to facilitate prompt settlement of reimbursement claims and reconciliation. The underlying objective is to make each pension paying bank responsible in its own right to effect settlement without the intervention of RBI offices, in the process, eliminating cause of delay in reimbursement claims.



Chapter VI – Life Certificate

A. Issuance of Acknowledgement

15. In order to alleviate the hardships faced by pensioners, ABs shall mandatorily issue duly signed acknowledgements against receipt of life certificate. ABs shall also consider updating the receipt of life certificates in their Core Banking Solution (CBS) and issue a system-generated acknowledgement which would serve the twin purpose of acknowledgement as well as real-time-updation of records. ABs shall provide digital acknowledgment in respect of digital life certificate submitted by the pensioner.

B. Jeevan Pramaan

16. 'Jeevan Pramaan', a digital life certificate launched by Central Pension Accounting Office (CPAO), Ministry of Finance (MoF), Government of India (GoI), based on Aadhaar Biometric Authentication, has simplified the process of submission of life certificate, facilitating accuracy and timeliness in disbursement of pensions. ABs shall refer to the orders contained in Office Memorandum dated November 14, 2014, issued by the CPAO forwarded to all ABs and SGs / Union Territories (UTs), as amended from time-to-time. Similar amendments in the pension regulations of various CG Ministries (e.g., Ministry of Railways, Department of Posts, etc.) shall also be referred. All ABs disbursing Government pension shall take necessary action to implement the scheme and issue necessary instructions to all their branches concerned and dealing staff. All ABs shall work towards creating awareness about 'Jeevan Pramaan' among their pensioner-customers through their branches, websites and other means. ABs shall also suitably amend the FAQs on pension payments posted on their respective websites and provide a link to the website of 'Jeevan Pramaan.'



Chapter VII – Customer Service

A. Role of branches maintaining pension accounts

17. The AB branch that maintains pension accounts and also calculates pension should continue to be the point of referral for the pensioner.

B. Sympathetic treatment of pensioners

18. All branches maintaining pension accounts should guide and assist the pensioners in all their dealings with the AB.

19. All ABs disbursing pension shall provide considerate and sympathetic customer service to the pensioners, especially to those pensioners who are of old age.

C. Adherence to recommendations of Prabhakar Rao Committee on Customer Service

20. All ABs shall issue instructions to their dealing branches to adhere to the recommendations of the Prabhakar Rao Committee relating to pension payments. A checklist shall be provided to the inspecting officers/ auditors, which shall, at a minimum, include the illustrative items given in **Annex 1**. ABs shall also instruct their internal auditors/ inspectors to comment on the quality of customer service offered to the pensioners in their reports, which should be made available to RBI's inspecting officers, as and when they visit the branches.

D. Appointment of Nodal Officers (NOs)

21. To provide hassle free service to the pensioners, there should be a forum for regular interaction and settlement of grievances. Accordingly, ABs should appoint one/two NOs at each Region/Zone for monitoring the resolution of grievances of pensioners on regular basis and the General Manager (GM) / Chief General Manager (CGM)



concerned should review the position at monthly intervals.

22. At locations outside the Centralised Pension Processing Centre (CPPCs), there should be designated NOs for pension related complaints who should be (a) easily accessible to pensioners, and (b) they should hold regular meetings at different locations in their jurisdiction on the lines of Pension Adalat. Each AB should establish toll-free dedicated pension line manned by trained persons with access to the database to answer queries, note down and redress complaints.

E. Continuation of 'either or survivor' pension account after death of a pensioner

23. ABs shall not insist on opening of a new account for credit of family pension after death of the pensioner, if the spouse (family pensioner) opts for an existing joint account for credit of family pension.

F. Recording of Pension Payment Order (PPO) Numbers on Passbook

24. All ABs shall record the PPO numbers in all the pension passbooks of pensioners/family pensioners in order to alleviate the difficulties reported by pensioners/family pensioners to get duplicate PPO in the instances of (a) missing original PPO, (b) transfer of pension account from one bank/ branch to another bank/ branch, and (c) commencement of family pension to spouse or dependent children after the death of the pensioner, etc.

G. Issuance of pension slips

25. Pension slips should be issued to the pensioners at (a) commencement of pension, and (b) whenever there is a change in the quantum of pension.

H. Timely credit of pension/ arrears

26. To ensure timely disbursement of revised pension and arrears, ABs should have a mechanism to immediately obtain copies of pension orders from the PPAs so that the pensioners get benefits announced by Governments in the succeeding month's pension



payment itself. ABs shall also place the arithmetic and other details about pension calculations on the web, to be made available to the pensioners through the net or at the branches at periodic intervals, as deemed necessary, and to make sufficient advertisement about such arrangements.

I. Compensation for delay in credit of pension/ arrears

27. ABs should compensate the pensioner for delay in crediting pension/ arrears thereof at a fixed interest rate of 8 per cent per annum for the period of delay after the due date of payment, if the delay is on account of error on part of the AB. Further, the compensation shall be credited to the pensioner's account automatically, without any claim from the pensioner.



Chapter VIII – Repeal Provisions

A. Repeal and Saving

28. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to areas covered in these Directions as applicable to ABs and mentioned in **Annex 2** stand repealed. The Directions, instructions, and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.

29. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions, instructions, or guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions. Further, the repeal of these directions, instructions, or guidelines shall not in any way prejudicially affect:

- (a) any right, obligation or liability acquired, accrued, or incurred thereunder;
- (b) any penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder;
- (c) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

B. Application of Other Laws not barred

30. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

C. Interpretations

31. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these



Directions, the RBI may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.

(Sivakumar Bose)
Chief General Manager



Annex I

Checklist relating to Government Business (pension related) for internal/concurrent audit (Illustrative)

Internal inspections should assess branch performance in servicing pensioner customers. In this regard, the following, among others, shall be ensured:

1. A specific questionnaire covering all aspects of pension payment shall be devised for use during inspection of pension paying branches.
2. Inspecting officers shall also, during inspections, call up pensioners at random and enquire about their satisfaction with pension-related services.
3. A detailed checklist relating to pension payments/Government business shall be given by banks to internal auditors/inspectors in order to adhere to the recommendations of the Prabhakar Rao Committee, constituted by the Government of India, relating to pension payments/Government business.

These include the following:

- (a) Whether there is delay in payment of pension, revision of pension, revision in dearness relief, etc.?
- (b) Whether the branch manager has held structured interaction with a cross section of pensioners serviced at the branch, on quarterly basis, where the number of pensioners of all Governments and departments exceeds a fixed number, say, 100 or 200?
- (c) Whether nominations have been obtained for all pension accounts and the status is being indicated on the monthly pension slips issued to the pensioners?
- (d) Whether pension accounts have been converted into joint accounts wherever applicable?
- (e) Whether the bank branch has an effective complaint redressal mechanism, and the complaints of pensioners are attended promptly, and their grievances redressed expeditiously?



- (f) Whether the pension is credited to pensioner's account during the last four working days of the month except for the month of March for which pension is to be credited on or after first working day of April?
- (g) Whether the pension paying branch obtains Life Certificate/ Non-employment certificate/Employment Certificate from the pensioners in the month of November every year?
- (h) Whether income tax is being deducted at source from pension payments wherever applicable?
- (i) Whether paper tokens in acknowledgement of cheques presented are invariably given by the tax collecting branches?
- (j) Whether the challans are stamped giving bank's BSR code and Challan Identification Number (CIN) clearly?
- (k) Whether the stamped challans are kept in the custody of bank's staff and handed over to the concerned taxpayer only on production of the paper token?



List of circulars repealed by the Master Direction

S.No.	Circular No.	Date	Subject
1	DGBA.GAD.No.130/45.01.001/2 002- 03	30.08.2002	Single Window System for Reimbursement of pension payments made to Central Government Civil Pensioners by public sector banks
2	DGBA.GAD.No H -506 / 45.01.001/2002-03	12.04.2003	Payment of Pension to Government Pensioners through Public Sector Banks – Steps taken by Government to minimize delay in payment of Dearness Relief (DR) to Pensioners – Discontinuation of forwarding Government orders in respect of DR etc. through Reserve Bank of India.
3	DGBA.GAD.No11303/45.01.003/ 2005-06	06.02.2006	Disbursement of pension through Public Sector Banks – Payment of Dearness Relief (DR)
4	DGBA.GAD.No.H-10975 /45.05.031/2006-07	09.01.2007	Disbursement of Central Government Pension through Public Sector Banks - Issue of Pension Slip



S.No.	Circular No.	Date	Subject
5	DGBA.GAD.No.H- 3085/45.01.001/2008-09	01.10.2008	Recommendations of the Prabhakar Rao Committee on customer service – Pension Payments.
6	DGBA.GAD.No H- 3078/45.01.001/2008-09	01.10.2008	Establishment of Centralised Pension Processing Centre (CPPC)
7	DGBA.GAD.No.H - 7652/45.05.031/2008-09	03.03.2009	Scheme for payment of pension to Central Government Civil/Defence/Railway/Telecom/Freedom Fighters/ State Governments Pensioners by Public Sector Banks-Staggering of pension payments by PSBs.
8	Ref.DGBA.GAD.No.H- 10450/45.03.001/2008-09	01.06.2009	Recovery / Refund of overpayment of pension to the Government Account.
9	Ref.DGBA.GAD.No.H 3194/45.01.001/2009-10	14.10.2009	Scheme for payment of pension to Central Civil/ Defence/ Railway/Telecom Pensioners/ Freedom Fighters/ State Governments' Pensioners through Public Sector Banks-Facility for withdrawal of pension by old/ sick/ disabled/ incapacitated



S.No.	Circular No.	Date	Subject
			pensioners.
10	Ref.DO.No.CSD.CO/8793/13.01. 001/200 9-10	09.04.2010	Pension Payment to central/ State Govt. Pensioners by agency Banks- Compensation for delay
11	DGBA.GAD. No.H- 46/45.01.001/2010-11	02.07.2010	Pension Payment to central/ State Govt. Pensioners by agency Banks- Compensation for delay
12	DGBA.GAD.No.H- 6212&6213 /45.01.001/2010-11	11.03.2011	Pension Payment to central/ State Govt. Pensioners by agency Banks- Compensation for delay
13	DGBA.GAD.No.H- 6760 & 6762 /45.01.001/2011-12	13.04.2012	Pension Payment to central/ State Govt. Pensioners by agency Banks- Compensation for delay
14	DGBA.GAD.No.H- 7386/45.01.001/2012-13	03.06.2013	Payment of pension to the Central Government pensioners- Continuation of either or survivor pension account after death of a pensioner



S.No.	Circular No.	Date	Subject
15	DGBA.GAD.No.H-27/45.01.001/2014-15	01.07.2014	Redressal of Grievances of Pensioners
16	DGBA.GAD.H-2529/45.01.001/2014-15	09.12.2014	Introduction of Digital Life Certificates for Pensioners
17	DGBA.GAD.No.H4054/45.03.001/2014-15	13.03.2015	Recovery / Refund of overpayment of pension to the Government Account.
18	DGBA.GAD No.H-5013/45.01.001/2014-15	07.05.2015	Mandatory issue of acknowledgement to pensioners on submission of life Certificates
19	DGBA.GAD.No.2646/31.02.007/2016-17	07.04.2017	Systems and Controls for Conduct of Government Banking
20	DGBA.GBD.No.3235/45.01.001/2016-17	08.06.2017	Recording of PPO Number in the passbook of Pensioners / Family Pensioners
21	DGBA.GBD/1616/15.02.005/2017-18	21.12.2017	Prompt implementation of Governments' instructions by agency banks
22	DGBA.GBD.No.3214/45.01.001/2017-18	21.06.2018	Customer Service provided by agency banks
23	DGBA.GBD.No.SUO546/45.01.001/2020-21	21.01.2021	Withdrawal of circulars - on Recovery of excess pension made to pensioners



S.No.	Circular No.	Date	Subject
24	CO.DGBA.GBD.No.S1/31.02.007/ 2025-26	01.04.2025	Master Circular - Disbursement of Government Pension by Agency Banks