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Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training
AIS(AIS-II (PENSION))

(Dated 29 September, 2022)

OFFICE MEMORANDUM

Simplification of procedure for pension and other benefits to All India Services officers retiring from Government of India/State Government

Instructions have been issued from time to time regarding simplification of procedure for payment of pension and other benefits to All India services officers retiring from Government of India/State Governments. In order to bring clarity to the existing instructions and enable uniform implementation, the guidelines issued so far on the subject have been reviewed, consolidated and reiterated at one place.

2. In so far as the provisions which are not covered in these instructions are concerned, the provisions in the earlier guidelines shall continue to be applicable. Accordingly, the following procedures/systems would be followed for payment of pension and other retirement benefits to AIS officers retiring from Government of India/State Governments:-

(i) Government of India has taken over the entire pension liability of all the All India Services officers.

(ii) All retired as well as retiring AIS officers (existing as well as future retirees), either from the State Government or Central Government, uniformly have the option of drawl of pension through Government of India or through the State Government.

(iii) The option exercised by the pensioner for drawl of pension/family pension either from the Government of India or State Government at the time of retirement would constitute as "zero option" ([Annexure-III](#)). Thereafter, the retired officer can further make two options for which the first option would be permitted without obtaining the permission of Central Government and the second option would require permission of the Central Government. No further option shall be considered after the Second option is permitted by the Central Government. The first option shall be applied by the pensioner to the Drawing Disbursing Authority of her/his pension in the prescribed format ([Annexure-I](#)). The proposal for revocation of earlier options which required permission of the Central Government shall be applied to the concerned Cadre Controlling Authority of All India Services in the prescribed format ([Annexure-II](#)) and such proposal shall be processed in consultation with the Chief Controller (Pension), Central Pension Accounting Office (Department of Expenditure), New Delhi for according approval of the Secretary of the concerned Cadre Controlling Authority. Every time a change in option is made, it shall be

notified to the Central Pension Accounts Office (Department of Expenditure) to update its database.

(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/Accountants General will continue as hitherto. 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.

(v) Pension authorisation, etc. of officials retiring from the Government of India and opting to draw pension through the Government of India, may, at their option, be finalized and paid by the Ministries/Departments from which they retire as per the procedure in respect of similarly placed AIS officers belonging to the UT Cadre vide this Department's letter No.25011/4/83-AIS(II) dated 11th July, 1984 (p.314, AIS Manual Vol.I, 2002). Other benefits like leave encashment, GPF etc. shall also be finalized by the Ministries/Departments from which they retire.

(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/other 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) All monthly disbursement on the PPOs, routed through CPAO, 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 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.

(x) 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. The 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. issued by the Central Pension Accounting Office, Department of Expenditure, Ministry of Finance vide letter No.CPAO/AIS/M.F./01/2008-09/P-28toP-92 dated 18.08.2008 is attached at [Annexure-IV](#).

4. In cases 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.

[OM No: No.25014/2/2002-AIS-II Dated: 3/6/2004](#)

[OM No: No.25014/2/2002-AIS\(II\) Dated: 11/4/2007](#)

[OM No: No. 25014/2/2002-AIS\(II\) Dated: 16/1/2009](#)

[OM No: No. 25014/1/2014-AIS-II Dated: 28/7/2015](#)

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Annexure - 1

Annexure - 2

Annexure - 3

Annexure - 4