

STANDING OPERATING PROCEDURE
FOR
PENSION AUTHORIZATION, DISBURSMENT AND FINANCING

1. The SOP for pension authorization, disbursement and financing is devised to provide the post-retirement benefits i.e. pension, medical and electricity allowances to the retired employees of all three wings of WAPDA in a dignified manner, while ensuring the best possible practices to execute the pension payment transactions.

2. Functions of WAPDA Pension Directorate

Since the introduction of Pension Scheme in WAPDA in 1977, WAPDA Pension Directorate located at Lahore is performing following functions;

- i. In the light of WAPDA Pension rules, scrutiny of pension claims of all the retired and families of deceased WAPDA employees, received from formations of all three wings of WAPDA.
- ii. Disbursed (new cases) commutation, gratuity and monthly pension and issuing Pension Payment Order (PPO) to the designated Pension Disbursing offices.
- iii. Revision of the pension due to change in pay, length of service etc and to convert the retiring pension into family pension on the death of a pensioner.
- iv. Arrange reimbursement of funds from the Power, Water and Coordination Wings of WAPDA.
- v. Releasing funds to the designated pension disbursing offices on account of commutation/gratuity and monthly pension for payment to the retired employees/widows.
- vi. Fixing imprest limits and checking of monthly imprest accounts of pension payments received from the disbursing offices to recoup the same.(designated uints)
- vii. Maintenance of books of accounts of pension disbursements and preparing funds receipts and expenditure statements for Power, Water and Coordination Wings of WAPDA.
- viii. Attendance of courts, Wafaqi Mohtasib Secretariat and redressal of pensioner's complaints

3. Authorization

- i. The Field/Project formations of all three wing of WAPDA will prepare the pension cases of retiring staff at least six months before the actual date of retirement and send the same through its DDO office to the Director Pension Lahore for scrutiny and approval. In case of retirement before superannuation, death etc. pension papers will be sent immediately after the occurring of the event.A check list of documents to be sent along with pension claims is at **Annexure-I**.
- ii. The field formations/ projects will prepare pension papers of retiring officers at least six months before retirement date and send to the office of DG (HR&A) to complete the remaining information and attach necessary certificates to the pension papers and send to the office of Director Pension Lahore.
- iii. The Director Pension Lahore will receive and scrutinize pension cases of employees of in the light of WAPDA Pension Rules 1977 and instructions of the Authority issued in this respect from time to time. After scrutiny of pension claims, the Director Pension will issue a Pension Payment Order (PPO) of pensioner as well as Disburser's portion vide specimen given on **Annexure II & III**. The particulars of the pensioner will be noted in the Pension Register / file maintained manually or electronically in the office of Director Pension Lahore.

- iv. In case, WAPDA Authority approves any subsequent revision in pension, medical & electricity allowance, the Director Pension Lahore will issue pension revision slip to the pension disbursing office manually or electronically immediately and update the individual pensioner's record in pension register/file maintained in his office accordingly.

4. Responsibilities of pensioners

- i. The pensioners will draw their pension/commutation at the designated pension disbursing office nearer to their residence.
- ii. Each pensioner is required to open his bank account in the bank operated by the related disbursing office to facilitate prompt payment of pension. The pensioner will submit an option on the form (**Annex-IV**) for direct credit of pension specifically mentioning bank name, branch of the bank, branch code, full title of the bank account to which pension is to be credited direct by the disbursing office.
- iii. The Pensioner shall produce an Indemnity Bond (**Annex-V**) on judicial paper of Rs.50 (Fifty rupees) irrespective of monthly pension drawn to keep WAPDA indemnified about liabilities with all sums of money whatsoever including mark-up of his/her Pension Account. The pensioner along with defined successor would further undertake that his/her legal heirs, successors, executors shall be liable to refund excess amount, if any, credited to his/her Pension Account either in full or in installments (as agreed mutually) equal to such excess amount.
- iv. The Pensioner will visit in person to the pension disbursing office twice a year i.e. in between 1-15 July and 1-15 January. The pensioner will also be required to produce a life certificate (**Annex-VI**) to pension disbursing office through registered post in between 1-15 October and 1-15 April each year. In case of family pension, the widow/widower, unmarried daughter or sister, as the case may be, shall produce a non-marriage certificate (**Annex-VII**) in between 1-15 October and 1-15 April each year.
- v. A bedridden pensioner, through registered post or authorized representative, will provide medical certificate (**Annex-VIII**) as well as life certificate duly signed by the Registrar of the WAPDA/ Govt. owned & operated hospital from which he is receiving medical treatment quarterly in between 1 to 15 days of July, Oct, January and April each year. An official of related disbursing office, once in a year will visit in person to see the pensioner at his residence.

5. Disbursement

Responsibility of Director Pension Lahore

- i. The following offices have been authorized to disburse monthly pension to the pensioners of all three wings of WAPDA:
 - 1- CRR. Karachi.
 - 2- GM & PD Tarbela Dam.
 - 3- CE Mangla
 - 4- P.D. Neelum Jhelum HPP Muzaffarabad.
 - 5- GM Projects (North) Peshawer
 - 6- CPDU Lahore,
 - 7- CMTL Thoker NiazBaig, Lahore.
 - 8- CE/PD CRBC D.I. Khan
 - 9- GM Projects (South) Hyderabad
 - 10- WAPDA Staff Collage Islamabad

Note: It can be increased according to further requirement subsequently out of the disbursing units approved by WAPDA Authority in 2003.

- ii. Office of Director Pension Lahore, will scrutinize and approve the amount of pension commutation/gratuity and send the claim to the GM Finance concerned for releasing funds at least one month before the retirement of the employee.
- iii. On receipt of funds from the GM Finance concerned, the Director Pension at least, Fifteen (15) days before the date of retirement, will release funds for the amount of commutation and gratuity to the concerned disbursing office, from where the pensioner has desired to draw his pension dues, for making payment to the retiring employee.
- iv. The process of approval of pension should not be delayed due to any liability against the pensioner but the formation concerned will be required to get all the liabilities against the pensioner cleared before releasing him the amount of commutation. Any delay in such situation will rest on formation initiating the pension case.
- v. Director Pension Lahore will determine monthly imprest account of a disbursing office equal to two (2) months amount of pension disbursement of the pensioners registered in the related disbursing office and review the imprest amount on beginning of each financial year based up on the changes occurred in the number of pensioners and revision of monthly pension disbursement amount.
- vi. The Director Pension will send claim to GM Finance concerned in proportion of number of pensioners of each wing, to provide funds for meeting establishment expenditures of the office Director Pension and authorized pension disbursing offices and make necessary payments of establishment expenses on receipt of funds from the GM Finance concerned.
- vii. WAPDA Pension Directorate will check the relevance and accuracy of recoupment accounts received from the authorized pension disbursing offices and release funds to the respective disbursing office within 10 days after receipt of adjustment account for recoupment.
- viii. WAPDA Pension Directorate simultaneously will send claims to the GM Finance (Power), (Water) and (Coord) for making pension payments to the Director Pension Lahore, pertaining to respective wing of WAPDA.
- ix. On revision of monthly pension, medical and electricity allowance, the office of Director Pension Lahore will work out arrear amount and send claim to the GM Finance concerned for releasing funds.
- x. On receipt of funds for the arrear amount from GM Finance concerned, the Director Pension will onward transfer the same to the related pension disbursing office immediately.
- xi. Based up on the quarterly returns of closure of pension, received from the pension disbursing offices, the related PPO will be canceled and pension file will be shifted to closed file section. Necessary entry in the computer system and pensioners register will also be made accordingly.

Responsibilities of Pension Disbursing office

Disbursement of pension shall be as under:-

- a. Upon receipt of PPO/Pension Book (new pensioner) along with cheque for commutation etc from the Director Pension Lahore, the disbursing officer will release the amount to the pensioner through the given pensioner's bank account and make a record entry in the pension book/PPO as well as in pension payment register.
- b. Monthly Pension Roll will be processed and printed on computer by 24th of every month.

- c. The Officer In-charge Pension Section will review, verify and approve the pension roll by 26th of the month.
- d. Detailed bank/branch/region wise list of pensioners will then be prepared through computer with a summary of total amount to be paid to related bank branch of disbursing office (**Annex-IX**). The approved payment pension Roll will be sent to the Cashier for preparation of a consolidated cheque in favour of related bank branch of disbursing office.
- e. The Cashier of pension disbursing office will write cheques and get it signed in person from two (2) authorized signatories for each bank branch. The concerned disbursing office shall forward the attested specimen signature of the two officers who are authorized to sign the sealed authorities and the cheques of the pension payment to concerned branch of designated bank.
- f. The consolidated cheques along with branch-wise lists will be delivered through courier to related branch of that bank at least two days before the last working day of the month. The pension will be credited to the accounts of the pensioner on last working day of the month.
- g. After crediting the pension amount to the pensioner's bank account, the related bank branch, Through SMS and email messages will inform the pensioner.
- h. In case of incorrect pension payments, adjustments will be made in next month's Pension Roll by the pension disbursing office.
- i. The expenditure on account of Pension Roll payment will be recorded in the General Ledger on last working day of the month by computer system and included in monthly accounts.
- j. In case pension disbursing office found that any pensioner have not visited in person within given due dates or have not sent Life Certificate , the pension disbursing office shall stop the pension and send a letter at pensioner's address informing pensioner or person receiving the letter and the Indemnifier regarding stoppage of pension.
- k. To avoid any overpayments, the disbursing Office will also develop and adopt suitable internal controls. It may also be ensured that officer/official authorized to approve the monthly Pension Roll shall not be authorized to sign the cheques for pension disbursements.
- l. In case, a pensioner fails to present a life certificate in time but produces the same subsequently, the Accounts Office, in accordance with laid down procedure, will release the pension including arrear to the concerned bank under intimation to the pensioner.
- m. After making payment of pension dues, the disbursing offices will send the monthly imprest accounts along with wing wise expenditure statement to the Director Pension Lahore for recoument by 5th of the following month.
- n. On receipt of funds from Director Pension for arrear payment, the disbursing office will credit the same to the bank account of related pensioner(s) immediately under intimation to the related pensioner and office of Director Pension Lahore.
- o. Pension disbursing office will prepare a return and submit to the Director Pension WAPDA on 20th July, Oct, January and April each year along with necessary supporting documents to close the pension file, when no legal entitled heir/successor exists for disbursement of monthly pensions, against a particular PPO.

6. Funding

- i. The funding of pension payments will be made by the GM Finance (Power), (Water) and (Coord) for their respective wing. In order to ensure making available adequate funds for timely pension payment on regular basis, the GM Finance concerned will make necessary provisions in the annual operational/ development budget of the related wing. The provisions in annual budget for yearly pension charges will comprise of the followings:-

- a) Yearly pension amount at the applicable rates of the employees who retired from the Drawing and Disbursing office/PD office of related wing as at 30th June of each year.
 - b) Commutation and pension in respect of officers and staff who will be retiring in the next financial year from the Drawing and Disbursing Office/PD office of related wing.
 - c) Arrears(if any) for Pension revisions for retired employees of respective wing.
 - d) Pension contribution at the prescribed rate/ amount for the serving employees of the related wing, entitled for pension after retirement as per respective service rules.
 - e) Proportionate share of funding of establishment expenses of the office of Director Pension Lahore and authorized pension disbursing offices.
- ii. The GM Finance concerned will open a separate bank account titled “Pension Reserves” and arrange every year Actuarial valuation of pension liability of the related wing to determine annual contribution to the “Pension Reserve”
 - iii. The GM Finance concerned will place funds in the “Pension Reserve” account on monthly based upon annual budget provisions proportionately.
 - iv. On receipt of following verified and approved amount claims, the GM Finance concerned will release claimed amount from the “Pension Reserve” bank account, within 10 days of receipt of claim.
 - a) Pension commutation/ gratuity for the retiring employee,
 - b) Monthly pension recoupment account.
 - c) Pension arrear amount.
 - d) Proportionate share of establishment expenses of the office Director Pension & authorized pension disbursing office

The balance in “Pension Reserve” bank account will represent the contribution for post-retirement benefits of serving employees of the related wing. The GM Finance concerned will invest these funds in the investment schemes as per approved Rules.

7. Staffing

The authorized pension disbursing offices will work under the administrative control of Director Pension Lahore and staff of said offices will be arranged by the Director Pension Lahore according to load work and requirement of the related disbursing office. Annual establishment expenses budget together with funding plan of the Director Pension Lahore will be got approved from the WAPDA Authority in June each year for the next financial year. Through the approved funding mechanism, the office of Director Pension Lahore will provide funds to the authorized pension disbursing offices for meeting their monthly office establishment expenses.

(Authority Decision already accorded, needs to be considered)

8. Inspection

The office of Director Pension Lahore will send an Inspection team to the pension disbursing office at least once in a year to examine the record of pension disbursement and maintenance of prescribed books of accounts.

9. Post Audit

Post audit of the pension cases approved by the Director Pension Lahore and that of monthly payments disbursed by the disbursing officer will be conducted by the audit parties of the Chief

Auditor WAPDA once in a year. Any Audit observation relating to payment of pension must be communicated to the concerned formation of related wing of WAPDA.

10. Accounts

The office of Director Pension will maintain prescribed books of accounts and send monthly accounts i.e. Balance sheet, P+L account and cash flow statements duly generated from GL module, to the office of GM Finance (Coord). A Committee headed by the Member (Finance) and GMF(Power), GMF (Water), GMF(Coord), DG(HR&A) & Chief Auditor as members will review the quarterly accounts together management report of the office of Director Pension Lahore for the related quarter. The annual accounts of the office of Director Pension Lahore will be audited by a Chartered Accountant firm as per related IPSASs and will be approved by the WAPDA Authority by 30th September each year together with management report for the related year.