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From

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Sir,

Sub: Disbursement of old age and other pensions through money order -
irregularities in disbursement – modified system proposed – reg.

Ref: 1. FACT India letter dt 27-2-2010 by email.
2. Reply email from Post Master general, Tamil Nadu dt 4-3-2010
3. Press news dt 22-9-2010 about the trap of Post man in KK Nagar area

FACT India has been continuously fighting for the disbursement of old age and other pensions without any irregularities which is being practiced by the post men and other postal authorities. The response of the Post Master General, Tamil Nadu in this matter was very poor and discouraging. The reference cited 2 above will show the level of responsibility

reposed by the PMG. The vigilance wing of the postal department seems to be of idle and inactive. The inertness of the vigilance wing has played havoc in disbursement of pension to the poor pensioners. The total amount of illegal recovery made by the postmen from the pensioners' works out approximately to Rs. 8 Crores per month in respect of Tamil Nadu circle alone.

Apart from the above plundering to the tune of about Rs. 100 Crores per annum, an equal amount towards money order commission is being spent by the government.

It is a grave injustice to the pensioners who are living in a horrifying condition to push them to more harassment.

Recently the Reserve Bank of India has come out to the press news stating that efforts are being taken to make disbursement of the pension to the beneficiaries through banks. In rural areas disbursement through banks may be difficult because of the non availability of bank branches in most of the remote rural areas. In the circumstances FACT India wishes to suggest as follows:

1. Disbursement of old age and other pensions may be made through banks in city and urban areas.
2. Disbursement may be arranged to be made through post office savings bank account, as there is more number of post offices available, in rural areas.

By resorting to the above methods, the following reduction in manual work and simplification will be achieved:

1. The Govt. need not pay a huge sum towards MO Commission
2. The pension amount shall be transferred to the beneficiaries' accounts through electronic fund transfer method.
3. The manual work in preparing and filling up of the required formats in post offices can be avoided, which will result in huge saving in stationery and man power.
4. The manual monthly sanction / authorization works which are being followed now in taluk offices can be greatly reduced and thereby saving in stationery and man power can be achieved.
5. The shortage in man power in taluk offices prevailing at present can be resolved.
6. By making arrangement of disbursement of pension through banks and post office savings account, the irregularities such as illegal deduction, non disbursement etc., can be avoided.
7. The delay in disbursement and the harassment by the postmen to the pensioners can be avoided.

8. The anguish and uncertainty in anticipation of the pension by the pensioners can be avoided.
9. At present the entire pension amount of ₹ 1920 Crores is physically held up and lodged in post offices for duration of 5 to 15 days without any circulation of the money.
10. If the new method is adopted there is no physical holding up of the money even for a day.
11. The staff in the taluk office will have more time to look into any discrepancies and complaints over the payment of old age and other pensions.
12. If ATM payment through biometric process is introduced for the disbursement of pension, it will remain as a fool proof method for the effectiveness of the scheme.

If the above methods are adopted, the savings in Tamil Nadu state alone will be as follows:

| Savings in money order commission | Savings to pensioners from illegal deduction by postmen | Saving in establishment charges for 200 taluk offices | Saving in stationery cost in taluk offices and post offices | Satisfaction to the pensioners | Circulation of money without held up |
|-----------------------------------|---|---|---|--------------------------------|--|
| ₹10000 Lakhs | ₹10000 Lakhs | ₹ 500 Lakhs | ₹ 300 Lakhs | High – Not measurable | ₹ 192000 Lakhs for 15 days |

Accordingly, FACT India request the authorities to consider the above proposals in the interest of ensuring proper disbursement to the pensioners without any pilferation and uncertainty about the receipt of pension regularly and also bearing in mind the transparency and accountability of the scheme to the actual welfare of the deserving people.

C. Selvaraj
Financial Controller