



## SOUTH CENTRAL RAILWAY

Headquarters Office,  
Personnel Department,  
Secunderabad

No.SCR/P-HQ/Settle/695/JPO

Dated: 11.10.2022

### All Concerned

### Joint Procedural Order

Sub: Recovery of wrongful/excess payment from government servant at the time of retirement – Regarding.

Ref: JPO issued under PFA's letter No. AEN/JPO/SR, dated 22.12.2017.

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Further to the Joint Procedural Order issued on the above subject under reference, consequent upon the representation from the Trade Unions in connection with recovery of wrongful/excess payment from government servants at the time of retirement due to various reasons including implementation of RBE 31/2021, etc., it has been decided to follow the guidelines mentioned below:

In terms of Rule 79(1) (b) (iii) of RS (Pension) Rules 1993, "For the purpose of calculation of average emoluments, the Head of Office shall verify from the service book the correctness of the emoluments drawn or to be drawn during the last ten months of service and in order to ensure that the emoluments during the last ten months of service have been correctly shown in the service book, the Head of Office may verify the correctness of emoluments for the period of twenty four months only preceding the date of retirement of a Railway servant, and not for any period prior to that date." Para-1023 of Accounts Code also stipulates the same.

However, at the time of advance verification before retirement of the employee, it is noticed that the pay on various occasions such as during Pay Commissions, Promotions, MACPS etc. was fixed with higher stage erroneously and recovery is being made from the settlement dues which is causing hardship to the employee, as well as ignoring the Railway Board's instructions issued vide this Railway's S.C.No.75/2016.

In this connection, Railway Board's instructions issued vide this Railway's S.C.No. 75/2016 stipulates that the Hon'ble Supreme Court while observing that it is not possible to postulate all situations of hardship which would govern employees on the issue of recovery, where payments have mistakenly been made by the employer, in excess of their entitlement has summarized the following few situations, wherein recoveries by the employers would be impermissible in law:-

- (i) Recovery from employees belonging to Class-III and Class-IV service (or Group 'C' and Group 'D' service).
- (ii) Recovery from retired employees, or employees who are due to retire within one year, of the order of recovery.
- (iii) Recovery from employees, when the excess payment has been made for a period in excess of five years, before the order of recovery is issued.

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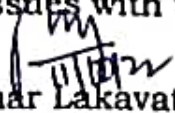


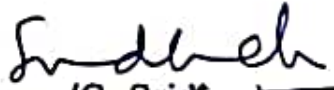
- (iv) Recovery in cases where an employee has wrongfully been required to discharge duties of a higher post, and has been paid accordingly, even though he should have rightfully been required to work against an inferior post.
- (v) In any other case, where the Court arrives at the conclusion, that recovery if made from the employee, would be iniquitous or harsh or arbitrary to such an extent, as would far outweigh the equitable balance of the employer's right to recover.

Now, it has been decided to follow the under mentioned guidelines by both Personnel and Accounts Departments to avoid hardship caused to the employees at the time of their retirement.

- 1) Personnel Branch should thoroughly verify the service register before forwarding to the Accounts department. During the verification by the accounts it should not lead to major difference between both verifications.
- 2) Cases referred for advance verification: There is a need to improve the system of concurrent/ continuous verification and updation of service record and leave charts to avoid overpayments at the time of settlement. As far as possible, it should be ensured that there should not be any overpayments to the employees. In order to achieve this:
  - (i) Advance Verification cell which was formed as per GM's Order No.SCR/PHQ/Set/695/Misc DT.15.09.2021 should be made permanent to carry out the advance verification of SR of each employee after completion of 18 years of service and before 5 years/3 years of retirement. The overpayment identified during these verifications should be recovered in accordance with the instructions given vide Railway Board Circular No.72/2016 dated 22.06.2016. Waiver of these overpayments, if any, should be processed as per item No:17, Part -F (Non Gaz matters) of MSOP-2018.
  - (ii) Pay fixation orders issued due to grant of MACP/financial upgradation/increment/promotion etc. should be verified and certified by advance verification cell within 3 months of issuing of such orders (as per DOPT OM dated 03.10.2022).
- 3) Settlement cases where verification has not taken place earlier: The verification by Personnel and Accounts should be restricted to maximum 24 months preceding the date of retirement. For the purpose of settlement benefits, the correct Pay and Allowances to be taken after this verification. The overpayments identified during these verifications are to be waived/recovered in accordance with the instructions given vide Railway Board Circular No.72/2016 dated 22.06.2016 (which reiterate the Supreme Court and DOPT guidelines on non-recovery of overpayments). Waiver of these overpayments, if any, should be processed as per item No:17, Part -F (Non Gaz matters) of MSOP-2018.

The above guidelines may be followed scrupulously while processing the settlement cases. This issues with the approval of PCPO & PFA.

  
(Prem Kumar Lakavath)  
Dy.CPO/Rectt.

  
(G. Sridhar)  
Dy.CAO/G 11/10/22

Copy to: Secy to GM for kind information of GM/SC.