Request for Proposal for IAAD Centralised Pension Application

Notice for Inviting Comments from Industry

04 March 2021

The Indian Audit and Accounts (IA&AD) under the Comptroller and Auditor General of India (C & AG) envisages the re-engineering of the Pension processing across its Field Accounts & Entitlements offices as well as for different State Government Departments.

The tentative requirements of the Centralized Pension Project along with the long-term vision is attached as Annexure to this document. Interested solution providers (System Integrators) are requested to participate in a half day workshop to share their views/comments on the functional requirements of the Project.

The venue and the timings of the workshop is as given below:

Date:	**March 11, 2021**
Timing:	**10 AM to 1 PM**
Venue:	**International Centre for Information Systems & Audit,** **A-52, Sector 62, Institutional Area, Phase II, Noida – 201 307**

Due to Covid situation, it is requested that no more than 3 participants from each SI may participate in the workshop. Interested participants are requested to confirm their participation to akhilspillai@cag.gov.in by **3 PM on March 9, 2021**.

RAGHVENDRA SINGH

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Director (IS)

Annexure

Background – IA & AD

The Comptroller and Auditor General (C&AG) of India is a Constitutional Authority who derives his powers from Articles 148 to 151 of the Constitution of India and the Comptroller and Auditor General's, Duties, Power and Conditions of Service Act, 1971 (CAG's DPC Act 1971). The C&AG discharges his functions through the Indian Audit and Accounts Department (IA&AD).

As per this mandate, a key function that has been delegated to some of the IA&AD offices is to authorize the retirement benefits (including Pension and General Provident Fund) of employees of the state government, including those that belong to the All India Services, Honourable judges of the High Court and even Freedom Fighters.

The IA&AD Department is headquartered at New Delhi and has several categories of Field Offices (FOs), viz. Field Audit Offices (FAOs), Accounts & Entitlement (A&E) offices and training institutes. There are 28 Accounts & Entitlement (A&E) offices spread across the country, with some having branch offices as well. The Accounts & Entitlement (A&E) offices engage in various functions, the most pertinent being the preparation of the States' Finance & Appropriation Accounts to be laid before the State Legislatures every financial year and the authorization of retirement benefits of the state government employees. Currently nineteen A&E offices across the country are responsible for authorizing pension.

Pension Process – As Is

As mentioned above, currently the AG/PAG (A & E) acts as the pension issuing/authorizing authority for the government employees in nineteen different states.

Each year around 3 lakh retiring employees in these states become entitled to Pensionary benefits by superannuation.

Pension process for newly retiring person:

1. The pension process begins with a **soon to retire** employee (retiring in next 3/6 months) applying for his/her pension by filling out a set of applications which are collectively considered as a Pension Proposal. The set of documents so filled contains details regarding the retiree as well as beneficiaries/family members who will be

entitled to his/her pension (family pension) on his/her death.

2. The proposal so submitted by the retiree is then analyzed, checked and verified for veracity of details along with the physical Service Record (SR hereafter) of the retiree by a higher authority of the same department as the retiree. This entity (Pension Sanctioning Authority, hereafter PSA) then calculates the retirement benefits of the retiree manually as per the details verified in accordance with the concerned State Government's Pension Rules.
3. Once the PSA has verified the proposal, it is forwarded to the Pension Issuing/Authorizing Authority (AG/PAG for a particular section of state government employees and State Audit Department for the rest of the state employees). The proposal which reaches the AG/PAG office is registered in the local system (nineteen stand-alone systems, which are mostly home-grown presently). After registration, the proposal is scrutinized along with the Service Records (SR) (forwarded through post by PSA) at three different levels in the office of the AG/PAG. At all stages, the pensionary benefits are calculated within the system and at the third stage, the proposal is deemed authorized and three Payment Orders (PO) – Pension Payment Order (PPO), Gratuity Payment Order (GPO) and Commutation Payment Order (CPO) - are generated in triplicate.
4. The generated POs are then sent via post/speed post to the retiree, department/PSA and the authorized Treasury. The Treasuries act as Pension Disbursing Authority where the pensioner has to be physically present to authenticate himself/herself before receiving the first payment. A copy of the physical voucher of the first payment is also forwarded to the PIA for proof of payment made, which is then entered in the AG's system as a record.

Pension revision process for previously retired employees:

Apart from people retiring from government service each year, all the 55 lakh live Pensioners across states are entitled to periodic revision of Pension when States implement revised Pay scales, or when Pay Revision Commission recommendations are accepted by the State Governments.

In the case of pension revision, there are two scenarios. Based on the concerned State Government's order, some of the pensioners' cases are revised directly at the Treasury or bank based on a defined formula. The rest of the cases which require verification of the SRs

are carried out at the AG/PAG offices. In a manner similar to the original pension cases, the applicant or pensioner in this case has to apply for the revision pension through a set of manual forms. The key difference here is that the pension proposal in this case do not have some of the annexures that were part of the original pension proposal like the Descriptive Roll or Nomination Form. The proposal is then vetted and verified by the PSA, who then forwards the sanctioned proposal along with the SR to the AG/PAG for authorization. At the office of the AG/PAG, the three-level verification as was done for original pension cases are carried out before the generation of the three PPOs for pension disbursement.

Pain Points

The first and foremost reason for envisaging a change in the system is to cater to the retiree. At present, in almost all states, a retiring employee gets his first pension payment months after retirement, which is a disservice to someone who has put in decades of service to the system. The delay in the current system can be attributed to the manual nature of the procedures being followed along with limited visibility at different stages of the pension process. Besides the inherent delay, another issue that crops up is the errors that are often noticed in the calculation of pensionary benefits, especially in the State departments where the calculation is not systemic. This further delays the authorization process due to the proposals getting returned and again having to follow the original channels before it gets authorized. At the end of the day, the biggest sufferer here is the one who is entitled to his/her pension.

Centralized Pension Project – The Vision

So, why are we looking at a new solution now? A major factor for this idea stems from the availability of innumerable technological solutions that are in use across the world currently. Another reason for developing a new system is to institutionally engage with the ongoing development of the Integrated Financial Management Systems (IFMS) that are happening in almost all the states in the country. With the scope of re-imagining the process being endless, some of the basic tenets that would form the crux of the envisaged solution are an online workflow and online processing of the various activities including online authentication of the retiree and tracking of payments on a real-time basis.

"To create a system which would ensure that every employee receives his/her retirement benefits on the day of retirement and at the same time to re-engineer the existing manual workflows into one that befits the digital era that we live in presently thereby increasing the efficiency and effectiveness of the process."

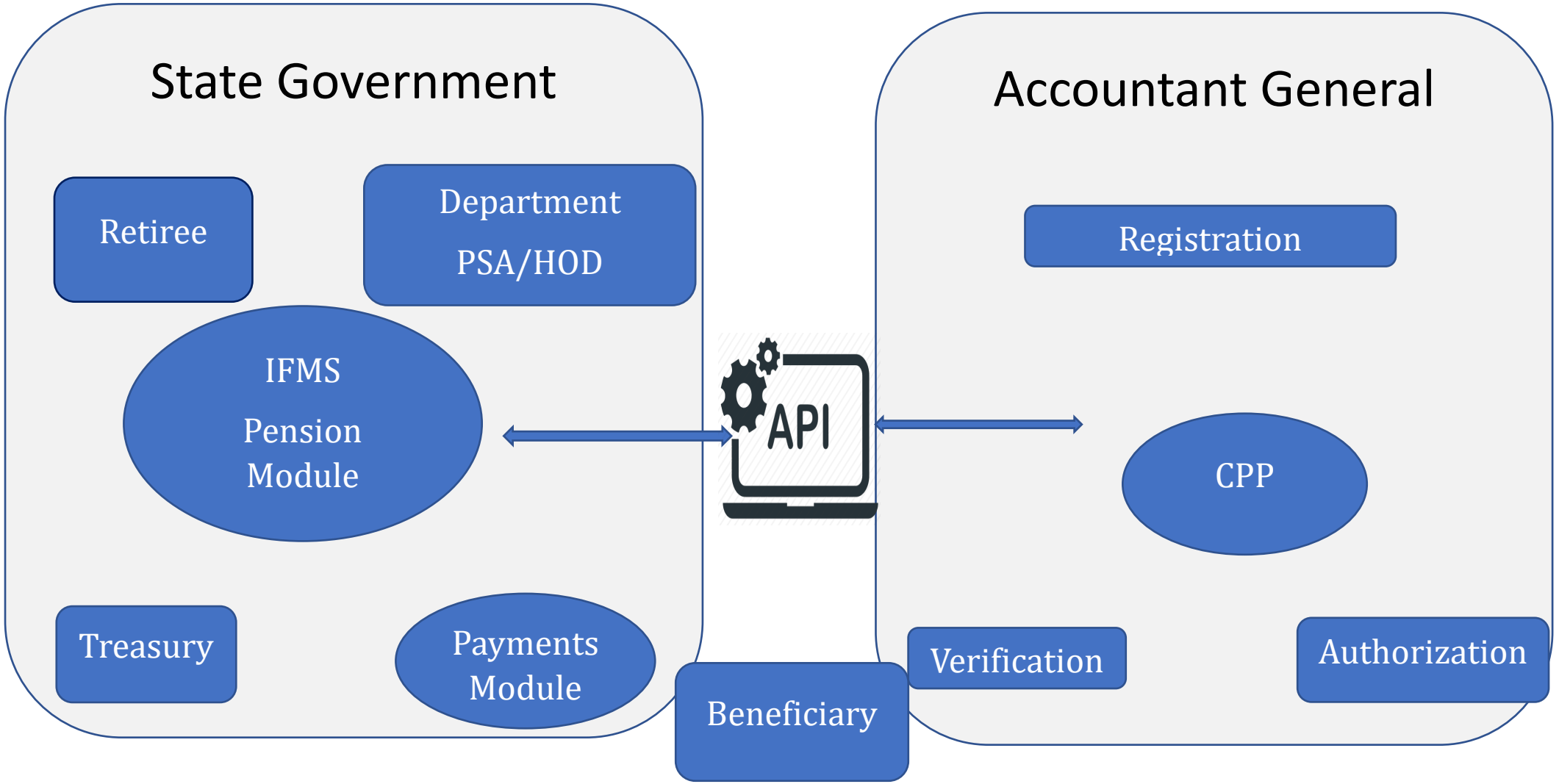
CPP – Envisaged Solution

The purpose of the Centralized Pension Project is to create a web-based application to replace the nineteen standalone systems that are functioning independently now in the IA&AD. The application, so developed is to be designed **in such a manner that pension rules pertaining to different states can be configured in a rule engine along with the possibility for centralized hosting**. These pension rules are modified frequently by States and in many cases, exceptions are to be made based on Court's orders. **The IAAD Pension Application must allow flexibility in configuring rule changes/exception by the business users (IAAD) through application User interface.** Another facet of the CPP system is to replace any and all manual/paper form within the present system and re-engineer workflows of all the A&E offices and state government departments to reduce human interface when it comes to pension processing. The CPP application should be futuristic and configurable to adopt changes in any aspect of pension processing at a later date.

States' HRMS would the primary repository of employee information, an integration of IAAD Pension application with the States' HRMS would be required. Since different States' HRMS are at various levels of maturity and such integration may be time consuming exercise, it is proposed to make IAAD CPP Application (development and deployment) in two models:

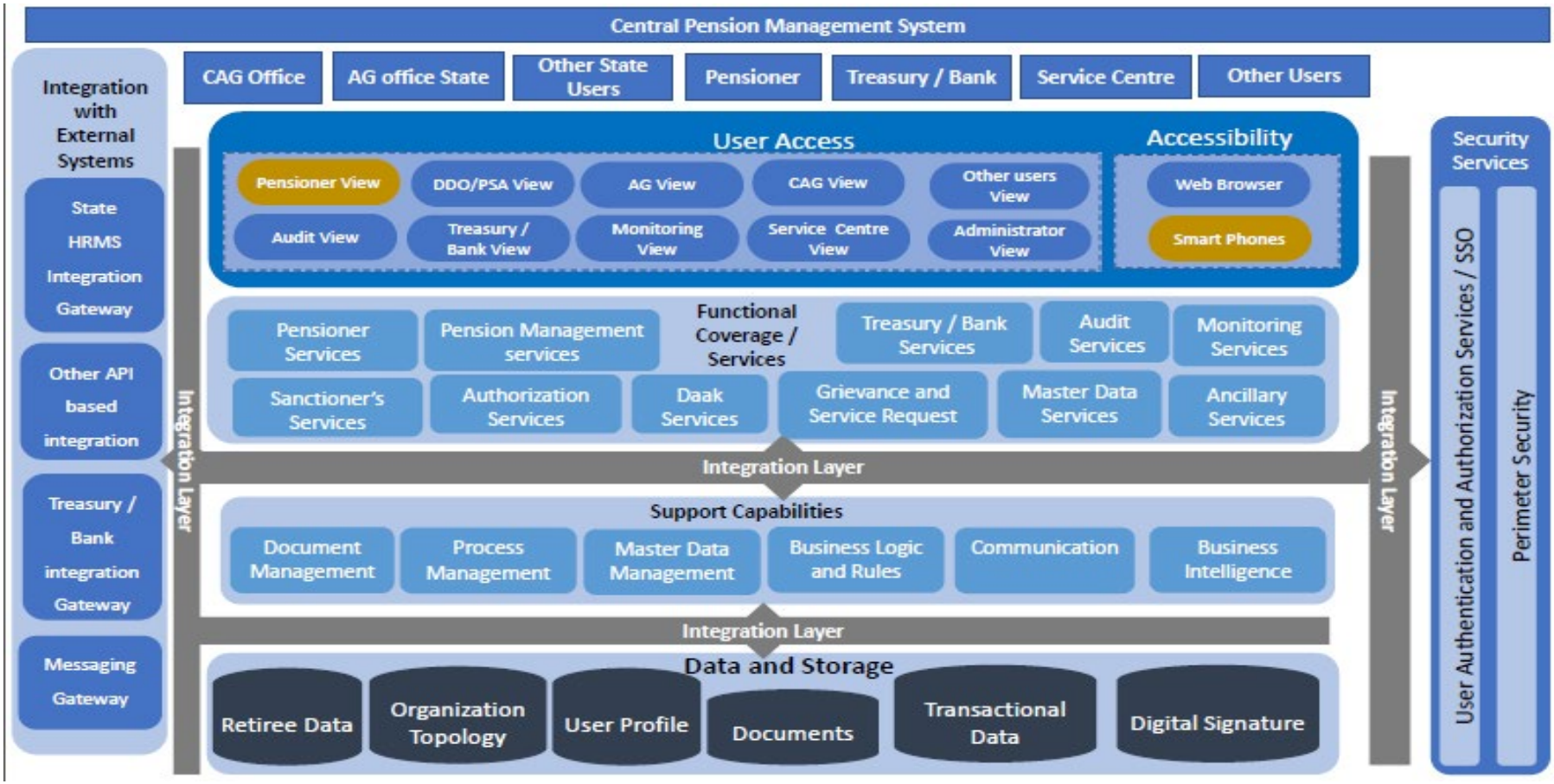
Model 1: (For States without a planned Pension module within their IFMS applications) – Here, end to end pension processing would happen in the CPP application, where all stakeholders will be provided role-based access.

Model 2: (For those states with their own pension module) – In this model, the idea is to integrate the CPP application with the HR/Pension module of the States' IFMS applications such that data needed for pension processing be made available in the CPP system.

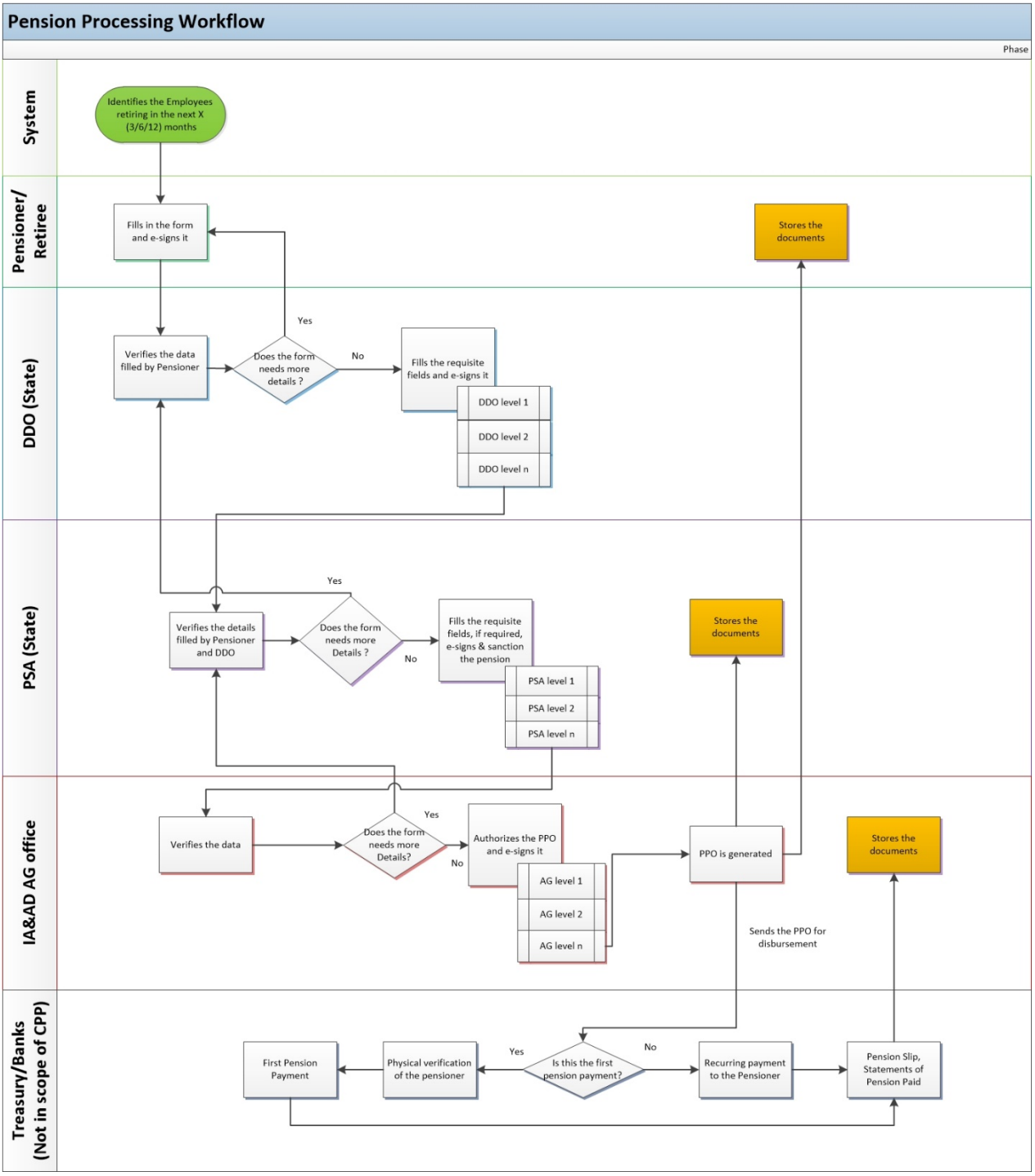

State Government
Retiree
Department
PSA/HOD
IFMS
Pension
Module
Treasury
Payments
Module
API
Beneficiary
Accountant General
Registration
CPP
Verification
Authorization

CPP will be a web-enabled solution with support for multiple languages, accessible in a platform- independent manner. Limited offline functionality, as also a mobile app, will be made required. At the same time, rigorous information security controls (for maintaining confidentiality, integrity, availability and non-reputability) will be implemented, and access to data will be controlled on a need-to-know basis.

Envisaged Functional Architecture



High Level Process for Pension Application:



Proposed BPRs

Process Trigger:

- Begins with a pre-filled application from HRMS data.
- DR images & dependent Aadhar to be captured in states' HRMS
- Applicant records few options

Digital Workflows:

- Real-time tracking
- Move to Digitised SRs (as part of States' IFMS-HR)
- Communication and doc exchange
- Online no dues by departments (Loans clearances, etc.)
- Electronic Pension Payment Orders pushed from CPP as e-Sanctions into States' IFMS
- Centralized portal for Grievance redressal
- Central Help Desk for application users

Beneficiary authentication:

- Applicant login
- Beneficiary check
- Life certificates
- Employee ID becomes Pensioner ID

Pension Calculator:

- Rules and admissibility formula embedded
- PSAs have access to and use it
- Re-run at AG's only if needed
- Use by non-AG PIA

Dashboards:

- Tracking of lifetime payments
- Live Pensioners' data
- Impact of Pay Revisions
- Pay fixation on PRC to be done on e-SRs
- Develop a mobile app

Expected Challenges to CPP

Some of the key aspects that might pose challenge in design/development and roll-out of proposed IAAD Pension application, are detailed below:

- The integration of CPP with the different HRMS modules of the IFMS applications that are being developed by the States would have to be accounted for, due to the varied nature of these modules. This integration is vital especially in the case of States opting for Model 2 of the CPP application.
- User Access management of the stakeholders is another key challenge that has to be properly solutioned especially considering the fact that the number of users from the State government departments would be substantially high. Further, the number of pensioners who need to access the CPP application either for the original or revision process would also be on the higher side. Since the interaction with the prospective pensioners and bringing State Pension processing staff as actors on IAAD CPP has been taken up as part of BPR, it would be difficult to estimate the number of users who would be accessing different modules of IAAD Pension Application.
- The ability of the Business Rule Engine (BRE) to provide complete independence for authoring and managing rules and their updates, especially in the case of Revision cases also has to be given sufficient thought.
- The ability of the Business Process Management (BPM) component to provide independence to the Business Administrator is another area of concern which also needs to be solutioned.
- A viable mobile application for the use and benefit of pensioners is also part of the envisaged CPP application that would be challenging to solution.

ANNEXURE – LIST OF SERVICES

Ref	Application task	Nature of service	Mode
1	Digital Pension Claim form – commutation etc (with Aadhaar based login and upload)	Transaction	
2	Online submission of Descriptive Rolls, nomination forms	Supporting	
3	Claim Status Tracking	Information	Apps, chatbots
4	View/Downloading Pensioner Ledger	Information	
5	Raising Service Requests	Transaction	
6	Online Pensioner Profile Update	Transaction	
7	Online Grievance Support –SMS, calls, apps	Information	Call center, Mobile app
8	Transfer of Pension for regular pensioner, essentially in four instances (Transfer from one treasury to another; Transfer from one bank to another; Transfer from one bank branch to another; Transfer out from one state to another state)	Transaction	

A. Services to DDOs			
Ref	Application task	Nature of service	
1.	API driven access to Pensioner data		
2.	Capture of Photo and Aadhaar of Family members	Transaction	
3.	Vigilance clearance/ action taken data entry		
4.	Data entry of QS, Emoluments, non-QS by user	Transaction	
5.	Submission of online supporting docs		
6.	Transmission of queries/ docs to AG Office/ applicant	Transaction	
7.	Online Documents Verification & Digital Signing	Transaction	
8.	Online pay fixation on Revision of Pay Scales		

9.	Uploading of revised pay to PSAs		

B. Services to Sanctioning Authorities			
Ref	Application task	Nature of service	
1.	Online Acknowledgement of Pension Claims	Transaction	
2.	Electronic Documents Exchange	Transaction	
3.	System based Claim Verification (plus manual Service book verification in states where legacy records are not digitised)	Transaction	
4.	Task allocation & monitoring	Transaction & Information	
5.	Claim Approval & Digital Signing	Transaction	

C. Services to AG/PAG Offices			
Ref	Application task	Nature of service	
1	Dashboard	Information	
2	Communication and electronic doc exchange with PSAs	Transaction	
3	Online verification in 2-3 tiers vis-à-vis Service records (online access to e-SBs)	Transaction	
4.	Generation of e-PPOs and digital signing	Transaction	
5	Doc exchange with State IFMS/ Treasury/ Other AG offices for SSA	Transaction	
6.	Change of Pensioner State	Transaction	
7	Verification and approval of Revision cases	Transaction	

D. Services to Dispatch Cell			
Ref	Application task	Nature of service	
1.	Inward Post Entry	Transaction	
2.	Outward Dispatch Receiving by Dispatch cell	Transaction	
3.	Record Franking & Dispatch details	Transaction	

4.	Maintaining Inward Daak Register	Information	
5.	Maintaining Outward Daak Register	Information	
6.	Search, View & Print Daak Record	Information	
7.	Dashboards & Reports	Information	

E. Services to Service Centres			
Ref	Application task	Nature of service	
1.	Online Grievance Submission, ticketing, channelling and closure	Transaction	(look at the possibility of adding to an existing platform)
2.	Online communication with National Contact Center for grievance redressal/query	Transaction	
3.	Dashboards & Reports	Information	
4.	Annual Identification	Transaction	(integrate with Jeevan Praman or state specific apps)
5.	Offline submission of Service requests	Service request	
6.	Submission of claims and allowances	Service request	
7.	View records of Pensioner/ applicant	Information	
8.	view and download Pension-case specific records for legal and RTI needs by AG Offices	Service request	
9.	Internal audit of AG Office verification by IA&AD	Service request	