

PENSION DELIVERY SYSTEM

What is the Pension Delivery System?

The Pension Delivery System is a mechanism whereby your **monthly Pension Benefits** are disbursed through the Bank of Bhutan. It is a system used to **deposit your monthly Pension Benefits** to your “**Pension Savings Accounts**” opened at a Bank branch of **your choice**. The crediting of Pension Benefits into the Pension Savings Account is operated from the “**National Pension and Provident Fund (NPPF) Pension Distribution Account**” maintained with the designated Bank branches.

Types of pension benefits

1. Retirement Benefits
2. Permanent Disability Benefits
3. Surviving Family Benefits:
 - ☞ Spouse
 - ☞ Children
 - ☞ Orphan
 - ☞ Dependent Parent

Objectives of the Pension Delivery System

The basic objectives of the Pension Delivery System are:

- ☞ Prompt payment of pension benefits to the beneficiaries
- ☞ Facilitate quality service

- ☞ Minimize cost for both the NPPF and the beneficiaries in transferring monthly pension
- ☞ Minimize workload
- ☞ Ease of reconciliation and record keeping

Institutions Responsible for Disbursement of Pension Benefits

- ☞ National Pension & Provident Fund
- ☞ Bank of Bhutan and its designated branches

Key players in the Pension Delivery System

- ☞ Bank of Bhutan
- ☞ NPPF
- ☞ Members/Beneficiaries
- ☞ Employers

How do you apply?

If you are eligible for Pension Benefits you need to complete the following forms depending on the nature of your application:

1. **If you are a retired member, complete Application Form-IIP**
2. **If you are disabled, complete Application Form-IID**
3. **If you are applying for Spouse/Children/Orphan/Dependent Parent Benefit, complete Application Form-IIS**

You must apply for Pension Benefits either through your employer or directly to NPPF (depending on the nature

of benefits) after completion of the above respective forms. You should also enclose two recent passport photographs duly verified and sealed by appropriate authority for preparation of your Pension Identity Card.

Necessary Application Documents

When you apply for your Pension Benefits, you must complete and attach the following documents along with the appropriate forms and documents (depending on the type of benefits):

For Member's Pension: a. Pension Benefits Form: IIP b. Two recent passport photographs c. A copy of Citizen Identity Card d. Marriage certificate, if applicable	For Disability Benefit: a. Disability Benefit Form IID b. Two recent passport photographs c. Disability Certificate issued by a Committee of Medical Doctors d. A copy of Citizen Identity Card
For Spouse/Dependent Parent Benefit: a. Form IIS b. Two recent Passport photographs c. Death certificate (deceased Member) d. A copy of Citizen Identity Card e. Pension Identity Card of the deceased Member	For Children/Orphan Benefit: a. Form IIS b. Two recent passport photographs c. Health certificate d. Death certificate (deceased Member) e. Pension Identity Card of the deceased Member

In addition, you will need to provide:

1. Officer Order/ Reliving Order from last employer
2. Refund of Provident Fund letter from last employer
3. Completed Provident Fund Refund Form
4. Last Pay certificate
5. Audit Clearance from the Royal Audit Authority for civil servants and other members as per directives of respective organizations
6. No dues clearance from Financial Institutions
7. Clearance from the Ministry of Finance (only officials in BCSR Grade III and above)

Note: Pension Identity Card of child(ren) on attaining age 18 years and a deceased Member must be surrendered to NPPF.

What you have to do at NPPF when handing over the Application documents?

After handing over the documents to the NPPF, an *acknowledgement receipt* will be issued to you. This is issued to confirm receipt of your Application documents by NPPF.

Formalities for opening of your Pension Savings Account

The NPPF will verify the completeness of the documents and information for processing of your Pension Benefits. Provided the **information is complete**, the NPPF will commence the process of opening your **Pension Savings Account** by forwarding the Form IIP, Form IID or IIS,

as appropriate, and Form III, IV, V and VI to the Bank branch of your choice.

For opening your Account, you must visit the Bank personally. The Bank will confirm your **account number** by completing Form VI and returning it to NPPF.

Each beneficiary may open only **one** Pension Savings Account. This account will be operated only for receiving monthly Pension Benefits. No other deposits are allowed into this account.

When will you receive your first Pension Benefits?

As soon as the NPPF receives your Pension Savings Account number from the Bank, your first Pension Benefits will be processed and paid to your Pension Savings Account. At the same time, the NPPF will also issue you a **Pension Identity Card** to facilitate withdrawal of your Pension Benefits from the Bank.



Withdrawal process of Pension Benefits from your Pension Savings Account

You are required to **visit the Bank personally for withdrawing** your Pension Benefits because neither cheque facilities nor joint operation facilities are provided for such withdrawals. Withdrawals are allowed only through *bank withdrawal forms*. Your Pension Identity Card must be produced along with your bank passbook for withdrawal of Pension Benefits.

Last date of withdrawal of monthly Pension Benefits from your Pension Savings Account

You should withdraw your Pension Benefits from your Pension Savings Accounts on or **before 16th of the month**. In case you are unable to withdraw your Pension Benefits every month, ***you must withdraw your Pension Benefits at least once within 3 months or before 90 days.***

What happens in case you cannot withdraw your Pension Benefits?

If, for unavoidable reasons, you are unable to withdraw your Pension Benefits **consecutively for 3 months**, you must inform the Bank and the NPPF accordingly. This is necessary for the Bank to continue making payments of your Pension Benefits. The Paying Bank will stop payment of benefits if the Bank finds that a pensioner/

beneficiary has not operated his/her account at least once in every three months.

Submission of annual information

Your Pension Benefits will be credited to your account once every month. However, your Pension Benefits may be stopped if you have not submitted the following documents once in a year:

- ▶▶ *Life Certificate*
- ▶▶ *Non-Remarriage Certificate (for continuing Spousal Benefit)*

You are required to furnish the above two documents to the NPPF with a copy endorsed to the designated Bank Branch **once yearly** on or before April 30 duly signed by any one of the following personnel:

1. Bank Managers	2. Doctors
3. District Administrators	4. Civil Servants (from BCSR grade five to one)
5. Gups/Chimmis	6. Past Employer
7. School Head Master	8 Local Lams
9. Embassies	10. Post Masters

If you fail to furnish the above two documents, the NPPF will **not** credit your Pension Benefits into your Pension Savings Account and payments may be suspended until further enquiry.

What if I want to transfer my Account from one Bank branch to another?

If you, for example, you change residence and would like to change your Bank branch from one Paying Branch to another, you should apply to NPPF through your present Paying Bank.

OFFICIAL NOTICE: *This pamphlet is for illustrative and explanatory purposes only. In all cases the Rules & Regulations of the National Pension & Provident Fund Plan will prevail for compliance.*

NATIONAL PENSION & PROVIDENT FUND *SECURITY IN OLD AGE*



SAVE AS YOU EARN

**EXPLANATION OF THE NATIONAL
PENSION DELIVERY SYSTEM**