

F. No. 13/20/2014-NS
Ministry of Finance
Department of Economic Affairs
(Budget Division)

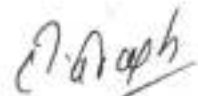
North Block, New Delhi
Dated: 21.12.2017

Office Memorandum

Subject: Senior Citizens' Welfare Fund (SCWF).

The undersigned is directed to refer to Department of Financial Services OM No. S-11013/08/2013-Ins.I dated 2.11.2017, seeking updated accounting procedure of SCWF, in view of amendments made in SCWF through notification dated 11.4.2017 (copy enclosed), for circulation of all insurance companies for transferring unclaimed money into SCWF lying with them.

2. The accounting procedure of SCWF was finalised by O/o CGA in consultation with O/o the C&AG. The same was circulated to all concerned. Regarding inclusion of more institutions in the scheme, O/o the Controller General of Accounts has clarified that there is no need for separate accounting/sub-accounting procedures for the related funds, as existing accounting procedure for SCWF has already provided for depiction of funds/institutions at sub/detailed head level under the Revenue Receipt.
3. A copy of accounting procedure is attached herewith for further necessary action at your end.
4. This has the approval of competent authority.



(Padam Singh)

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To

The Under Secretary (Ins.I)
Department of Financial Services
2nd Floor, Jeevan Deep Building,
Parliament Street, New Delhi.

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दिप्पण : 18 मार्च, 2016 की अधिसूचना सं. सा.का.नि. 322(अ) द्वारा मूल नियम भारत के राजपत्र, असाधारण, भाग II, खण्ड 3, उप-खंड (i) द्वारा प्रकाशित किए गए थे और बाद में 17 अक्टूबर, 2016 की सं. सा.का.नि. 981(अ) द्वारा इन्हें संशोधित किया गया था।

MINISTRY OF FINANCE
(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 11th April, 2017

G.S.R. 380(E).—In exercise of the power conferred by Section 128 of the Finance Act, 2015 (20 of 2015), the Government hereby makes the following rules to amend the Senior Citizens' Welfare Fund Rules, 2016, namely :—

1. (1) These rules may be called the 'Senior Citizens' Welfare Fund (Amendment) Rules, 2017.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Senior Citizens' Welfare Fund Rules, 2016, in rule 3, in sub-rule (3), after clause (c), the following clauses shall be inserted, namely :—
 - (d) Accounts maintained by banking companies, co-operative banks, multi-state co-operative banks, State Banks of India and its associate banks, subsidiary banks, corresponding banks, and regional rural banks;
 - (e) Dividend Accounts, deposits and debentures of companies defined under the Companies Act, 2013 (18 of 2013);
 - (f) Life and non-life insurance schemes or policies maintained by insurance companies;
 - (g) Accounts of Coal Mines Provident Fund established under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948)."

[F. No. 13/20/2014- NS.II]

PRASHANT GOYAL, Jr. Secy.

Note : The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) vide notification number G.S.R. 322(E), dated 18th March, 2016 and subsequently amended vide number G.S.R. 981(E), dated 17th October, 2016.

SENIOR CITIZEN'S WELFARE FUND (SCWF)

A. Establishment of Fund

1. As per para 42 of Budget Speech 2016, Central Government has established a Fund to be called the Senior Citizen's Welfare fund for promoting the welfare of the Senior Citizens and for such other purpose as specified in Chapter VII of Finance Act, 2015 (20 of 2015).

2. The Senior Citizen's Welfare Fund shall be an interest bearing Reserve Fund, in the Public Account of India and shall be administered by a Committee notified as per Rule 4 (3) of the Notification No. GSR 322 (E) dated 18th March, 2016 & notification No. 380 (E) dated 11th April, 2017.

3. Under Section 122 (2) of the Act any credit balance in any of the accounts under the stipulated schemes remaining unclaimed for a period of seven years from the date of its declaration as an inoperative account (refer note below), shall be transferred by the respective Institutions to the Consolidated Fund of India after taking action as stipulated in para 7 of the Notification No. GSR (E) dated 18th March 2016. Every institution through its Nodal Officer, shall transfer these balances lying under the schemes stipulated in the above Notification, viz:-

(a) Small savings and other savings schemes of the Central Government including the Post Office Savings Accounts, Post Office Recurring Deposit Accounts, Post Office Deposit Accounts, Post Office Monthly Income Accounts, Senior Citizens Savings Scheme Accounts, Kisan Vikas Patras, National Savings Certificates (all issues), Sukanya Samridhi Accounts and discontinued Small Savings Schemes.

(b) Accounts of Public Provident Funds under the Public Provident Fund Schemes, 1968 maintained by the institutions concerned and,

(c) Accounts of Employee's Provident Fund under the Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

(d) Accounts maintained by banking companies, co-operative banks, multi-state co-operative banks, State Bank of India and its associate banks, subsidiary banks, corresponding banks, and regional rural banks;

(e) Dividend Accounts, deposits and debentures of companies defined under the Companies Act 2013 (18 of 2013);

(f) Life and non-life insurance schemes or policies maintained by insurance companies;

(g) Accounts of Coal Mines Provident Fund established under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948).

Note:- (1) Inoperative account means an account under any of the schemes specified by or under sub-section (2) of section 122 of the said Act not operated upon for a period of three years if operable on regular basis, or if there is a date of maturity, from the date of maturity, as the case may be.

- (2) The principal rules were published in the Gazette of India, Extraordinary, Part-II Section Sub section(i) vide notification number GSR 322(E) dated 18th March, 2017 and subsequently amended vide notification number GSR 981(E) dated 17th October, 2016.
4. Under Section 125(1) of Act, every Institution shall prepare list of unclaimed amounts lying as unclaimed deposits in the accounts and notify to the public in the manner provided under rule 7 of Notification of SCWF dated 18.03.2016.
5. All unclaimed amounts, referred to in Section 122(2) of the Act shall be transferred by the Institutions to the Fund within one year from the date of notification of these rules in the Official Gazette:
- Provided that the period so specified may be extended by such further period or periods, as the Ministry of Finance may deem fit, on a request for grant of such extension by the institution.
6. The institutions shall identify the unclaimed amounts on annual basis and make transfers to the Consolidated Fund of India on or before the 1st day of March, each year.
7. The transfers by the institutions shall be made on a net basis, i.e., the unclaimed deposits minus the claims accepted in accordance with the law for the time being in force, of the accounts whose balances have already been transferred to the Fund. O/o the CCA, Ministry of Finance will account for the receipts in his accounts.
8. An institution wise and savings scheme/fund wise ledger will be maintained by O/o CCA (Finance) to facilitate effective monitoring of the accruals and refunds from the fund. This office will also be responsible for maintenance of a broadsheet indicating opening balance, refunds and closing balance.
9. All refunds of unclaimed deposits shall be paid to Institutions by the Department of Economic Affairs, M/o Finance by seeking appropriation at the time of preparing BE/RE.
10. As interest will only be available for expenditure on the specified schemes by the Ministries/Departments administering the scheme, O/o CCA (Finance) will be responsible for making refunds, in case, in any particular year the net accretions are negative i.e. refunds are more than accretions. The Institution will, be required to maintain individual wise records of the lapsed deposits and their refunds.

B. Administration of Fund

11. The nodal Ministry for the administration of the Fund shall be the Ministry of Social Justice and Empowerment. The Central Government has constituted an inter-Ministerial Committee for administration of the Fund consisting of a Chairperson and Members (Rule 4 (3) of the Notification dated 18th March, refers).

C. Rate of Interest

12. The eligible rate of interest for the money lying in the Fund shall be determined and notified by Ministry of Finance under sub-section (5) of the section 124 of the Act, on an annual or quarterly basis as decided from time to time.

D. Utilization of Fund

13. Interest earned on corpus (SCWF) will be utilized for funding the Schemes referred below. The Fund shall be utilized for such schemes for the promotion of the welfare of Senior Citizens in line with the National Policy on Older Person and the National Policy on Senior Citizens by respective Ministries/Departments.

14. The Schemes referred to above shall be :-

- (a) Schemes for promoting Financial Security of Senior Citizens, including but not limited to, old age pensions, long term savings instruments and employment in income generating activities.
- (b) Schemes for promoting healthcare and nutrition of Senior Citizens, including but not limited to, affordable health care programs, mental health services, health insurance schemes, nutrition education programs and training and orientation in health care of Senior Citizens
- © Schemes for promoting welfare of elderly widows.
- (d) Schemes related to old age homes, short stay homes and day care of Senior Citizens.
- (e) Schemes related to education training and information needs of Senior Citizens.
- (f) Schemes related to research activity on ageing and information systems on Senior Citizens.
- (g) Any other schemes, with the approval of the Committee.

Any additional scheme approved may be duly incorporated in the accounting procedure and endorsed to all concerned.

15. The sponsoring Ministry or the Department of the Government or the State Government concerned shall be responsible for the processing of the scheme, its monitoring and implementation.

Provided that the proportion of the costs incurred towards the benefit of Senior Citizens only shall be funded from the **proceeds of the Fund.**

16. The committee may issue detailed guidelines for the implementation of any scheme for the welfare of the Senior Citizens under these rules. It should be ensured by the inter-ministerial committee that the projects are not approved in excess of the available interest component of the fund. The Nodal Ministry (M/o Social Justice & Empowerment) shall also verify that the releases do not result in expenditure in excess of the available interest component of the Fund during a Financial Year.

E. Claim of unclaimed amount from Ministry of Finance

17. An application for refund of unclaimed deposit transferred to SCWF shall be entertained in the following manner:

1. Any person claiming to be entitled to the unclaimed amount transferred to the Fund may apply to the respective Institution with which the amount due was originally lying or deposited, at any time before the right to the amount is extinguished as provided in section 126 of the Act.
2. The person making the application shall bear the onus of establishing his right to receive the amount to which the application relates.
3. The institution shall consider the application as expeditiously as possible, and make payment along with the eligible interest, in any case, within sixty days of the receipt of the application.
4. Any payment under this section shall discharge the Institution from liability in respect of the amount credited to the Fund.
5. The interest payable, if any, on the money transferred to the Fund shall be determined and notified by the Central Government.

F. Annual Report

18. Annual Report of the SCWF shall be laid before Parliament by Ministry of Social Justice & Empowerment:

- (1) The nodal Ministry, referred to in rule 4 of notification shall prepare an annual report by the 1st day of May, each year, for the activities undertaken in the previous financial year.
- (2) The nodal Ministry shall make arrangements for the approval of the annual report by the Committee within one month of its preparation.
- (3) The annual report shall include the activities undertaken by the Committee, the schemes approved for funding, the major decisions of the committee, the schemes pending for approval and the details of the amounts credited and debited from the Fund.
- (4) The Committee may issue detailed guidelines for the preparation of the annual report.
- (5) The nodal Ministry shall make available the annual report on the website of the Ministry, after it is laid before the Parliament under sub-section (3) of section 127 of the Act.

The detailed Accounting Procedure for Senior Citizen's Welfare Fund

I Transfer of unclaimed deposits into Government Accounts

The unclaimed deposits specified under Section 122(2) (a), (b) and (c) of the Finance Act, 2015 (20 of 2015) will be transferred by the Institution/Ministry/Department administering the funds concerned to Pay & Accounts Officer, M/o Finance who would credit the same to the following heads:-

Credit			
Major Head	Existing	0250	Other Social Services
Minor Head	Existing	00.104	Receipts of unclaimed deposits specified under Section 122(2) of the Finance Act 20 of 2015
Sub-head	Approved	Xx*	Name of the Fund from where the unclaimed deposit is transferred will reflect as a distinct sub-head
Detailed head	Approved	Xx*	Name of the Institution transferring the unclaimed deposit will reflect as a distinct detail head

*Xx : Fund/Institution wise Numeric codes will be provided by CGA Office on requirement.

Pay & Accounts Office, M/o Finance shall maintain Institute-wise ledger as indicated at 8 above

II Transfer of unclaimed deposits into Senior Citizen's Welfare Fund

Debit			
Major Head	Existing	2250	Other Social Services
Minor Head	Existing	00.797	Transfer to Reserve Fund/ Deposit Accounts
Sub-head	Approved	797.01	Transfer to Senior Citizen's Welfare Fund
Detailed head	Proposed	Xx*	Name of the Institution
Credit			
Major Head	Existing	8121	General & Other Reserve Funds
Minor Head	Existing	127	Senior Citizen's Welfare Fund
Sub-head	Existing	01	Unclaimed Deposits
Detailed head	Proposed	Xx*	Unclaimed Deposit under (Name of the Institution)

*Proposal submitted to CGA Office for approval of separate detailed heads for General Institutions, EPFO and Coal Mines PFO.

BE/RE is to be proposed by Respective Ministry/Department in their Demands.

III When interest is paid on the Senior Citizen's Welfare Fund

Debit			
Major Head	Existing	2049	Interest Payment
Sub Major Head	Existing	05	Interest on Reserve Fund
Minor Head	Existing	105	Interest on General and other Reserve Fund
Sub Head	Approved	11	Interest on Senior Citizen's Welfare Fund
Detailed Head	Proposed	Xx*	Interest on unclaimed deposit under (name of Institutions)
Credit			
Major Head	Existing	8121	General & Other Reserve Funds
Minor Head	Existing	127	Senior Citizen's Welfare Fund
Sub-head	Approved	02	Interest on unclaimed deposits
Detailed Head	Proposed	Xx*	Interest on unclaimed deposit under (name of Institutions)

Interest will be charged on the Fund Balance and credited to SCWF by PAO, Ministry of Finance every year.

BE/RE is to be proposed by Budget Division DEA in Appropriation of Interest Payments.

*Proposal submitted to CGA Office for approval of separate detailed heads for General Institutions, EPFO and Coal Mines PFO

IV. Refund of unclaimed deposits

Refund of unclaimed deposit, if any, claimed when net accretion is negative above.

Debit			
Major Head	Existing	2250	Other Social Services
Minor Head	Approved	00.104	Payment to Institutions against refund of unclaimed deposits specified under Section 124(4) of the Finance Act, 2015 (20 of 2015)
Sub-Head	Approved	Xx	Name of the Fund from which the unclaimed deposit is refunded will reflect as a distinct detailed head
Detailed Head	Approved	Xx	Name of the Institution transferring the unclaimed deposit will reflect as a distinct detail head
Minor Head	Approved	00.105	Payment to Institutions against interest on unclaimed deposits specified under Section 124(4) of the Finance Act, 2015 (20 of 2015) refunded.
Sub Head	Approved	Xx	Name of the Fund from which the unclaimed deposit is refunded will reflect as a distinct detailed head.

*Xx : Fund/Institution wise Numeric codes will be provided by CGA Office on requirement by respective Ministry/Department.

BE/RE is to be proposed by Respective Ministry/Department in their Demands.

The above expenditure will be met from the Senior Citizen's Welfare Fund as detailed below:

Debit			
Major Head	Existing	8121	General & Other Reserve Funds
Minor Head	Existing	127	Senior Citizen's Welfare Fund
Sub Head	Approved	01	Unclaimed Deposits
Sub-Head	Approved	02	Interest on Unclaimed deposits
(-) Debit			
Major Head		2250	Other Social services
Minor Head		00.90x	Amount met from Senior Citizen's Welfare Fund
Sub Head		01	Unclaimed deposits*
Sub Head		02	Interest on unclaimed deposits*

*BE/RE under Reduction in Expenditure(Deduct Recoveries) is to be proposed by Respective Ministry/Department in their Demands

V(a) Disbursement of Fund to various Schemes of Senior Citizen's from C.F.I.

While incurring the expenditure to be financed from the Senior Citizen's Welfare Fund the Pay & Accounts officer of the Ministry/ Department implementing the specified schemes will debit the functional head concerned. Simultaneously, the entry for recoupment of expenditure as given below shall be prepared by implementing Ministry on the same day.

V(b) Recoupment of the expenditure of Scheme from Senior Citizen's Welfare Fund

The Pay & Accounts Officer indicated at V (a) above will then pass on the following accounting entry for meeting the expenditure from the Senior Citizen's Welfare Fund.

Debit			
Major Head	Existing	8121	General & Other Reserve Funds
Proposed	Existing	127	Senior Citizen's Welfare Fund
Sub-head	Approved	02	Interest on unclaimed deposits
(-) Debit			
Major Head	Existing		Major / Sub major head under which the expenditure was debited
Minor Head	Proposed	9xx	Amount met from Senior Citizen's Welfare Fund

All implementing Ministries/Departments will inform scheme-wise expenditure incurred from Senior Citizen's Welfare Fund to M/o Social Justice and Empowerment, who will maintain a record for total expenditure incurred from the Fund and balance available in the Fund.

VI. Audit of the Fund

The Accounts of the Senior Citizen's Welfare Fund will be subject to Audit by the internal Audit wing of O/o CCA (HRD-SJW) implementing Ministry/Department and C&AG.

The following are the main features of the Income Tax Act, 1961:

1. It is a comprehensive law covering all types of income.
2. It is a self-contained code of law.
3. It is a law of the Parliament.
4. It is a law of the Union Territory.
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