



DEPARTMENT OF SOCIAL JUSTICE & EMPOWERMENT, HARYANA

**Service Level Performance Standards
For Electronic Benefits Transfer through Banks**

**Version: 2.0
Release: AUGUST, 2011**

1. Introduction

The Government of Haryana has decided that the financial assistance under the social security schemes of the Department of Social Justice & Empowerment will be distributed through the scheme of Electronic Benefits Transfer (EBT) of the designated Banks. For this purpose, the no frills savings account offered by banks under their Financial Inclusion scheme using the Business Correspondent model has been leveraged to remit the pension/samman allowance electronically into the bank account of the beneficiary. The beneficiary's account will earn interest as applicable to other savings accounts of the bank. The beneficiary will be able to transact from his bank account at the Customer Service Point (CSP) established for the village/ ward.

1.1 This Service Level Performance Standard (SLPS) describes:

- The services, performance standards and arrangements governing the remittance of benefits under the social security schemes of the department;
- Obligations on the bank for enrollment and creation of bank account of the beneficiary, remittance of benefits into the bank account and transaction of his bank account by the beneficiary;
- Service standards, applicable fees and penalties.

1.2 All service standards are to be consistent with the extant guidelines and notifications of RBI.

2. Coverage

2.1 The Service Level Performance Standard covers remittance of social security benefits electronically into the bank account of the beneficiary including:

- Enrollment of the beneficiary under the Financial Inclusion Scheme of the RBI through the Business Correspondent (BC) model. The beneficiary's bank account will be a no-frills savings account earning interest on daily balance as per RBI norms applicable to savings accounts;
- Biometrics based de-duplication of the beneficiary data;
- Issuance of biometrics based smart card to the beneficiary;
- Transaction on the bank account using smart card based biometrics authentication by the beneficiary;
- Synchronization of beneficiary data with the centralized data maintained by the department;
- Providing the de-duplicated biometrics data to an agency designated by the department for carrying out state-wide biometrics based de-duplication;
- Providing savings bank account to the Department for the purpose of EBT;

- Remittance of pensions as advised by the department;
- Maintain the beneficiary data with biometrics on behalf of the department of which all IPR/Copyright will lie with the department;
- Ensure that any other non-statutory or commercial usage of the data is only after obtaining written permission of the department;
- Provide the beneficiary data including biometrics to the department as and when asked for;
- Monitoring the service quality standards of the BC;
- MIS reports.

3. Services and Obligations of the Bank

The Bank either directly and/or through its appointed BC shall render the following services:

3.1 Enrollment of Beneficiary:

Following activities shall be carried out by the bank:

a. Collection of Beneficiary Information:

- i. The Department shall provide the list of beneficiaries for the district to be enrolled along with demographic details on monthly basis to the bank. The bank shall collect the information as per the KYC norms of RBI along with the biometrics data of the beneficiary.
- ii. The bank/BC shall establish and operate permanent enrolment centers for this purpose in all Block Development & Panchayat Offices and Municipal Bodies. The bank/BC will provide additional enrolment teams as and when demanded by the district administration in case of backlog. In addition to the enrollment through permanent enrolment centers, the BC shall also enroll those beneficiaries who are unable to visit the permanent enrolment center due to disability or incapacity by visiting the beneficiary's residence.
- iii. In cases where a person has one beneficiary account for a pension scheme listed in Para 1 of the Notification No. 203-SW(4)-2011 dated 19th April, 2011 and is also entitled for another benefit in capacity of guardian for a pension scheme listed in Para 2 of the said Notification, the same bank account shall be used for both the remittances. Care should be taken while enrolling the beneficiary for the second scheme that his bank account is not inactivated for EBT due to de-duplication failure on "second enrollment".

b. De-duplication:

- i. The bank shall perform biometrics based de-duplication for all the beneficiaries of the districts under its service area.
- ii. All the duplicate accounts found to be pre-existing during de-duplication exercise will be immediately inactivated by the bank for the purpose of EBT and reported to the department.
- iii. List of all such beneficiary's savings accounts inactivated by the bank for the purpose of EBT shall be uploaded on the department's server for deletion on the ground of "duplicate".
- iv. For the state wide de-duplication of the data, the bank shall provide the biometrics data to the agency authorized by the department for this purpose (currently Financial Inclusion Network and Operations Limited) in the format specified.
- v. For all duplicates identified during state level de-duplication, the bank will inactivate the account for the purpose of EBT on intimation by the designated agency or the department not later than the immediate next working day of receiving the information. The information may be provided in electronic or physical format.

c. Account Creation:

- i. No-frills saving account for remittance of benefits will be created in the name of the beneficiary by the bank only after successful biometrics based de-duplication as per sub-para 3.1 (b) and compliance of other banking norms like Know Your Customer etc.
- ii. For the cases where the account could not be created due to non-satisfaction of one or more norms/criteria, the bank shall inform the concerned Enrollment Center. The Enrollment Center shall inform the beneficiary of the deficiency which is required to be corrected.
- iii. The Enrollment Center shall receive any such corrected forms/documents removing the deficiency and forward the same to the bank.
- iv. For all such forms where the deficiency has been corrected by the beneficiary, the bank shall initiate the process of creation of savings account.
- v. The bank shall update the beneficiary account status on the website maintained by the department.
- vi. Smart card containing the biometrics data along with other demographic information required for operation of the bank account will be issued to the

beneficiary. The bank/BC is responsible for delivery of the smart card to the beneficiary.

- vii. The accounts created for the beneficiary shall always be a single account and shall not be converted into a joint account.
- viii. No ATM/Cash/Debit card will be issued for the beneficiary account.

d. Integration of Bank Account Information with Beneficiary Data:

- i. The bank shall complete the uploading of all account information of beneficiaries enrolled at the Enrollment Centers during the month by the 7th calendar day of the immediate succeeding month on the department's website in agreed electronic format.
- ii. Electronic remittance of the benefits will only be made into the bank account of the eligible beneficiaries whose names appear on the department's website at the time of sending instruction to the bank. Mere possession of bank card does not guarantee remittance of benefits into the bank account. The names of persons will be deleted from the department's website on account of detected ineligibility after the issue of smart cards. In case a person is aggrieved, he should be advised to contact the District Social Welfare Officer.

e. Change of address of beneficiary:

- i. For change of address within the same district, the bank will link the account number of the beneficiary to the new CSP location within a month of the request, so that the beneficiary is able to operate his account at his new address.
- ii. For change of address from one district to another, the bank account of the beneficiary will be terminated at the old location in such manner that in case of creation of new account in the destination district, the same is not blocked due to de-duplication failure.

3.2 Remittance of Benefits

3.2.1 For Beneficiary with Bank Accounts:

- i. The department shall maintain a savings account in its name with the bank.
- ii. The department's account in the bank will be credited a consolidated amount by the Treasury Bank.

- iii. The designated pension day will be the 10th calendar day of the month, except April, for which the designated pension day will be the 15th of April. In case of holiday, the pension day will be the immediate next working day.
- iv. The department will send instruction to the bank along with the Actual Payee Receipts (APR) in .XML or any other agreed electronic format, which would be digitally signed.
- v. The bank shall remit the benefits to the beneficiary's account preferably on the same day and in no case beyond the (T+1)st day as per the APRs and subject to conditions, if any, from the department. The department's account will be debited for the purpose on the same day as the date of credit into the beneficiary's account.
- vi. The bank will certify that the date of debit of savings bank account of the Department is the same as the date of credit of the bank accounts of the beneficiary.
- vii. The bank/BC shall establish one Customer Service Point (CSP) for every 700 account holders on average. In case a single village does not have 700 beneficiaries, the CSP shall be established for a cluster of villages. The CSP would be required to operate in each village located within the cluster on pre-specified days of the week.
- viii. The location and schedule of the CSP will be supplied by the bank/BC to the Deputy Commissioner of the district administration. The Deputy Commissioner may modify the location and schedule of the CSP as per local needs by an order in writing.
- ix. The Customer Service Provider would preferably be a local person appointed by the bank/BC after carrying out due diligence as per RBI guidelines. The CSP would wear proper label/uniform of the bank/BC for easy identification.
- x. The CSP is expected to operate on all bank working days during day light hours.
- xi. The beneficiary will be permitted to operate his bank account at the designated local CSP only after biometrics based authentication on the handheld device. In cases where biometrics of the beneficiary are not available and hence cannot be captured, the transaction can be done by the bank/BC as per its own verification procedure. Details of all bank accounts operated without biometrics authentication will be brought to the notice of the Department immediately.

- xii. In the cases where the beneficiary is unable to visit the CSP due to disability or incapacity, the CSP shall visit the beneficiary's residence on request to enable him to withdraw the remittance.
- xiii. The bank shall term an account "inactive" for the purpose of EBT on the 61st day if the beneficiary does not operate his bank account using biometrics authentication for a continuous period of preceding 60 days. The date of inactivity shall be computed from the 1st of the month immediately succeeding the month when the remittance was first made into that account.
- xiv. No benefits shall be credited into an account termed "inactive"; however the beneficiary can operate the bank account as per RBI guidelines. The account status can be reactivated only on specific request in writing from the department to the bank. "Inactive" accounts not reactivated within 90 days shall be termed "dead" for the purpose of EBT and permanently removed from the list of EBT accounts. The bank will maintain the list of "inactive" and "dead" accounts for the purpose of EBT and exercise due diligence so that no benefits are credited into either "inactive" or "dead" accounts. Such list of "inactive" and "dead" accounts for the purpose of EBT will be reported to the Department in .XML or any other agreed electronic format.
- xv. For the accounts declared "dead" under sub-clause (xiv), the bank shall within 15 days reverse the benefits not withdrawn by the beneficiary and credit the same into the savings account of the Department.
- xvi. The bank/BC cannot deduct any amount on account of fee or service charge from the beneficiary for the EBT services provided as per the descriptions in this document.
- xvii. The bank/BC shall not cross-sell other financial products/services without prior consent of the Deputy Commissioner of the District. No beneficiary will be forced or misled to buy other products/services. The Bank will be liable to compensate in case of default.

3.2.2 For Beneficiary without Bank Accounts:

The department may ask the bank to do simultaneous enrollment of the left-out beneficiaries along with disbursement of benefits in cash as per the APRs supplied to the bank by the department up to the first two months of implementation of the scheme in a district, before complete migration to the scheme of remittance of benefits electronically into the bank account of the beneficiary as per sub-para 3.2.1.

3.2.3 Synchronization of Beneficiary Data between Department and Bank

The bank shall synchronize the beneficiary data with the department's centralized database periodically at least once every month using the web services provided by the department. The synchronization of bank's data with the department's centralized data for a month shall be done by the 10th calendar day of the next month. The synchronization will update all account information including the following,

- Bank account number;
- Duplicate accounts;
- Inactive/ dead accounts;
- Re-activated accounts;
- Any other as directed by the department.

4. Reporting

The bank shall provide reports for,

- i. The amounts transferred and disbursed on monthly basis.
- ii. The benefits recovered under clause 3.2.1(xv).
- iii. Such other information related to EBT as requested by the Department.

5. General Information about Data Management

- i. The Department shall retain exclusive intellectual property rights to all beneficiary data provided or created during this engagement.
- ii. The bank and its affiliates shall maintain confidentiality of all the details and information with regard to this engagement.
- iii. For any other non-statutory or commercial use of the beneficiary data, written permission shall be taken from the department.
- iv. After the termination of the engagement due to completion of the period as specified in the MOU or any other reasons whatsoever, the bank shall provide, subject to customer confidentiality, the complete beneficiary data along with biometrics to the department.
- v. During the period of engagement, the bank shall provide the beneficiary data along with biometrics as and when required by the department.
- vi. A State-wide Central Repository of de-duplicated Beneficiary Data with biometrics will be created and maintained by the department or an agency designated by the department.

6. Fees and Payments

- i. Interest shall be payable to the department and the beneficiary on the account balance at par with other savings accounts of the bank.
- ii. The bank shall raise invoice to the department for the applicable service charges which will be payable subject to RBI guidelines and Government instructions on quarterly basis as on 31st March, 30th June, 30th September and 31st December. Under no circumstance, the bank is authorized to debit the department's savings account maintained with the bank. Along with the invoice, the bank shall provide a signed copy of this document (SLPS) as an undertaking that the clauses were adhered to and that there were no deviations thereof. In case of any deviation, the bank shall report the same to the Department.

7. Service Standards and Penalties

The bank shall adhere to all the clauses as mentioned in this document. Failure in adhering to the clauses will be considered as breach and the Department will be at liberty to terminate the MOU with the bank. The Department will be at liberty to levy appropriate penalty upon the bank for any default or deficiency in service by the bank or its agent, including the following,

- i. Deficiency under clause (v) of sub-para 3.2.1 will attract penal interest at the Repo rate of RBI plus 3% for the period of default.
- ii. Financial loss due to incorrect remittance of benefits and de-duplication failures will be recouped to the department along with interest at the Repo rate.
- iii. Deficiency in operations of the Enrolment Centers or Customer Service Points as reported by the District Administration will attract penalty of up to ` 500/- per day per location.
- iv. The bank or its BC shall have an internal mechanism for grievance redressal of the account holders. A helpline would be created, operated and maintained by the bank or the BC or this purpose.