

F. No. 32(07)/PF-II/2011(Vol. II)
Ministry of Finance
Department of Expenditure
(PF-II Division)

North Block, New Delhi
Dated, the 26th of February, 2016

OFFICE MEMORANDUM

**Subject: Direct Benefit Transfer – payment of transaction charges to Banks/
Payment Banks/ Post Offices.**

Reference is invited to earlier O.M. of even number dated 20.08.2015 on the subject mentioned above. The issue of transaction charges and last mile delivery issues on account of Direct Benefit Transfer (DBT) payments have been examined vis-à-vis the feedback received from various stakeholders, and in supersession of earlier O.M. dated 20.08.2015, it has been decided that:

- (i) All DBT and PAHAL (including kerosene) transactions should be routed through the National Payment Corporation of India (NPCI). A transaction cost of Rs. 0.50/- would be payable for each transaction to be shared between the sponsor banks, destination entities and NPCI in accordance with the extant NPCI Circular.
- (ii) For Mahatma Gandhi NREGA, Maternity Benefits and Pension Schemes an additional Cash-out Incentive would be payable as follows:
 - a. A fixed component of Rs. 5/- per transaction.
 - b. A variable component of Rs. 0.50/- per hundred (transaction amount rounded up to the next hundred) subject to maximum of Rs. 5/-.

For example, if Mahatma Gandhi NREGA payment of Rs. 540/- is made to a beneficiary account, the destination entity (bank/ post office/ payment bank) will get a cash-out incentive of Rs. 8/- (Rs. 5/- fixed component and Rs. 3/- variable component).

Destination entities which do not give any cash-out commission to their last mile functionary will only be eligible for the fixed component.

- (iii) The Transaction Cost and Cash-out Incentives will be paid out of the object head 'other contractual service' under the budget head of the respective

scheme. Till necessary provisions are made under the prescribed object head, the existing arrangement of making payment from the scheme head will continue.

(iv) The claims will be settled at monthly intervals on the basis of vouchers and details of successful transactions submitted by the NPCI.

(v) This OM will come into effect from 1st August, 2015 onwards. However, the payments already made will not be reopened.



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Chief Executive Officer (NITI Aayog) / Secretary [Financial Services / School & Literacy / Labour and Employment / Women & Child Development / Tribal Affairs / Social Justice & Empowerment / Minority Affairs / Higher Education / Health and Family Welfare / Communication & Information Technology / Rural Development / Electronics & Information Technology/ Petroleum/Department of Posts].

Director General (UIDAI) / Director General (NIC) / Controller General of Accounts / Joint Secretary (DBT) / CEO (NPCI).

Copy to: Principal Secretary to the Prime Minister for kind information.

Copy to: Cabinet Secretary, Government of India for kind information.