

# Digital Life Certificate: Facilitating Pension Disbursement in India

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The process of obtaining the life certificate in physical form and its submission to the pension disbursement agency for continuous pension benefits every year has been a big hurdle for pensioners. This required an intervention in the form of digital certification, which has now become possible with the allotment of *Aadhaar*, a digital number to a large population of the country. The initiative of the Government of India to introduce Aadhaar based Digital Life Certificate has been a great step in this direction. This paper is an attempt to analyze the newly introduced Digital Life Certificate with key focus on its advantages to the pensioners at large and the challenges being faced in its implementation.

**Key words :** *Aadhaar, Digital India, Digital Life Certificate, Jeevan Pramaan, Pension, Social security*



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Pension, as any other regular source of income, plays an important role in financial status of the beneficiaries by supporting them in their post-retirement age. The objective of any pension scheme is to minimize the adverse impact of vulnerability caused by old age and life cycle changes (death of the earning member). The pension benefits in India are governed by a number of schemes and programs operating under various laws and regulations. The central and state governments in India disburse pension funds to their retired employees through various schemes. The Employees' Provident Fund Organisation, a social security organization under the Ministry of Labor and Employment, Government of India ensures superannuation pension to the employees in the private sector after their superannuation and family pension in case of death of the employee during service. Various state governments have also introduced their own pension schemes apart from those for their retired employees.

As per the Public Evaluation of Entitlement Programmes (PEEP) survey in 2013 conducted by researchers at Indian Institute of Technology, Delhi, India on 900 rural respondents selected at random from the official pension lists in 10 states of India, the pension scheme has been reaching its intended beneficiaries. 97% of the total respondents were getting their pension. While the pension amount was small, it was crucial in supplementing the elderly's resources to allow them to afford medicines, food and other necessities.

In view of the number of beneficiaries involved and the importance of pension benefits to their financial needs, it is important that these recurring benefits are provided to them with ease and convenience. In India, the pension is disbursed to the pensioners on monthly basis. The pensioners, in the course of drawing their pension, have to furnish life certificates on annual basis, which act as a proof of pensioner being alive, thereby leading to continuity of their pension. The process of obtaining the life certificate in physical form and its submission to the pension disbursement agency for continuous pension benefits every year has been a big hurdle for pensioners. This, undoubtedly, needed an intervention in the form of digital certification process.

### **Theoretical Framework**

**Life Certificate – an essential requirement for pension disbursement**

In the process of pension benefit disbursement on recurring basis, one of the main requisites for the pensioners is to furnish life certificates to the authorized pension disbursing agencies like the banks, following which their pension gets credited to their account. The life certificate has to be furnished by the pensioners on annual basis. The requirement of life certificate by the pension disbursement agencies is intended to ensure that the pensioner is alive, so that the pension disbursement is continued.

For obtaining a life certificate, a pensioner earlier needed to present himself/herself before the pension disbursing agency or had the life certificate issued by authority where they served and had it delivered to the disbursing agency. This very requirement of personally being present in front of disbursing agency or getting a life certificate often became a major hurdle in the process of seamless transfer of pension amount to the pensioner. It was noted that it caused a lot of hardship and unnecessary inconvenience particularly for the

aged and infirm pensioners who were not always be in a position to present them in front of the particular authority to secure their life certificate. In addition to this, a lot of government employees, after their retirement, choose to move to different location either to be with their family or for other reasons, hence causing a huge logistical issue when it comes to accessing their rightful pension amount. Hence, there was a genuine need to introduce a system, whereby the pensioners could furnish the life certificate without visiting physically any of the authorities, thus reducing their inconvenience.

To address this requirement, the Government of India has launched the *Jeevan Pramaan Patra*, a digital life certificate based on *Aadhaar* number. *Jeevan Pramaan Patra* is the Hindi term for Life Certificate – *Jeevan* is for 'Life' and *Pramaan Patra* is for 'Certificate'. *Aadhaar* is another Hindi term meaning 'Foundation'. *Aadhaar* number has been introduced by Unique Identification Authority of India (UIDAI), Government of India to identify the residents on the basis of their demographic and biometric credentials.

### **Aadhaar number – an identification tool**

*Aadhaar* is a 12-digit unique identification number issued by the Unique Identification Authority of India (UIDAI), Government of India to every individual resident of India. The objective of *Aadhaar* was to create a single, unique identification document or number that will include all the demographic as well as biometric information of every Indian resident. It is convenient to use and can be verified online thereby lowering the risk of fake ID proofs. It is not going to replace the existing identification document like passport, permanent account number (PAN), driving license etc. Rather it can be used as the single identification document. The banks, financial institutions, telecom firms and other businesses that maintain customer profiles can use *Aadhaar* for Know Your Customer (KYC) verification mode. Through *Aadhaar* numbers database, the disadvantaged section of the society can be accessed and the services can be rendered to them which were not possible earlier due to lack of any identification number with them. As has been informed by Unique Identification Authority of India (UIDAI), 1.05 billion *Aadhaar* numbers have been issued since inception in 2010 to September, 2016.

### **Research Methodology**

This is a qualitative research paper. Descriptive type of research design has been used for this study. It is based upon

the perceptions of a distinct group of respondents. For the purpose of the study, both primary and secondary source of data collection have been used. Primary data has been collected through personal interviews with the government officials of India to find out the issues in the Aadhaar based digital identification for the pension disbursement. Moreover, official orders, reports and various websites have also been referred to develop the theoretical framework. The service chosen for the purpose of the study is digital life certificate to facilitate the pension disbursement to the pensioners.

### **Objectives of the study**

#### **This study encompasses the following objectives:**

- To study the concept of digital life certificate facility and its implementation in pension disbursement in India,
- To analyze the benefits derived by the pensioners out of this scheme, and
- To determine the issues and challenges in the implementation of this scheme in India.

### **Implementation of Digital Life Certificate in India – overcoming the hurdles in pension disbursement**

The Government of India has launched Jeevan Pramaan (Digital Life Certificate), which seeks to ease the problems faced by the pensioners by digitizing the whole process of securing the life certificate. It aims to streamline the process of getting this certificate and making it hassle-free and much easier for the pensioners. With this initiative, the pensioner's requirement to physically present himself or herself in front of disbursing agency or the certification authority has become a thing of the past benefiting the pensioners in a huge way and cutting down on unnecessary logistical hurdles. It is a biometric enabled digital service for pensioners. Pensioners of Central Government, State Government or any other Government organizations in India can take benefit of this facility, which is Aadhaar based and works as a proof of pensioner's existence. It was launched by Prime Minister of India on 10th November, 2014 to benefit over ten million pensioners in India. Jeevan Pramaan has been intended do away with the requirement of a pensioner having to submit a physical Life Certificate in November each year, in order to ensure continuity of pension being credited into their account. Jeevan Pramaan has been developed by the Department of Electronics and Information Technology, Government of India.

### **Non- digital life certificate submission process**

To understand and appreciate the newly introduced Jeevan Pramaan submission process, it is desirable to know the process of submission of non-digital life certificate by the pensioners in India. The submission of life certificate issued by approved authorities or appearing in person has been mandatory by every retired employee of various government organizations and public-sector units in order to receive pension money. The life certificate has to be submitted to pension disbursing agencies in the month of November every year which also requires verification and attestation by a Gazetted officer or bank official. For this purpose, the pensioner has to be present physically before the designated authority at the office or bank during office hours. Depending on the distance and the availability of the designated officer on the date of visit by the pensioner, many a times, the process has been found to be very time consuming and financially taxing for the pensioner.

### **How Jeevan Pramaan works:**

Creating a Digital identity for a pensioner, Jeevan Pramaan is a breakthrough initiative for eliminating the requirement of physical presence of the beneficiaries before the authorities while a pensioner seeks the continuity of the benefit. With the provision of a digital life certificate, a pensioner acclaims the right to prove his digital existence to Pension Disbursing Agencies.

Jeevan Pramaan software can be downloaded from <https://jeevanpramaan.gov.in/> for both PC and Android Devices. Jeevan Pramaan certificate can be obtained from software by putting beneficiary fingerprint or iris authentication.

Software has been developed to record Aadhaar number, biometric details, date and time by the Department of Electronics and Information Technology (DeitY). This application can be downloaded on mobile phone/d esktop/ laptop. After downloading, user needs to plug the biometric reading device which will record the details of the pensioner. A successful authentication generates the Jeevan Pramaan, digital life certificate, which gets stored in the Life Certificate Repository in a centralized database and can be accessed online and downloaded by the pension disbursing agency to verify pensioner's details. An Short Message Service (SMS) acknowledgement is sent to the pensioner's

mobile number including his Jeevan Pramaan Certificate ID. This acts as a proof of pensioner being alive so that they can receive the pension amount.

For pensioners living in rural areas where the software application or internet connectivity is not possible, the facility can be accessed through Common Service Centres network under the CSC e-Governance Services India Limited, a special purpose vehicle under the Department of Electronics and Information Technology (DeitY), Government of India.

### **Aadhaar Authentication**

Aadhaar Authentication is not only easy but secured as well. It can verify a pensioner's details without producing himself and his documents physically. The pensioner needs to provide his biometrics, either a finger print or Iris and authenticate himself. Jeevan Pramaan uses the Aadhaar Platform for online biometric authentication.

### **6. Benefits of Digital Life Certificate:**

The very requirement of personally being present in front of disbursing agency or getting a life certificate often became a major hurdle in the process of seamless transfer of pension amount to the pensioner. It was noted that it caused a lot of hardship and unnecessary inconvenience particularly for the aged and infirm pensioners who were always not in a position to present themselves in front of the particular authority to secure their life certificate. In addition to this, a lot of government employees post their retirement choose to move to different location either to be with their family or other reasons, hence causing a huge logistical issue when it comes to accessing their rightful pension amount. Jeevan Pramaan digital submission process seeks to make the whole process trouble-free for the retired employees. The key benefits of the Jeevan Pramaan- Digital Life Certificate process have been convenience, less processing time, timely payment of pension benefits, reduction in corruption and minimal chances of fraud.

**6.1 Convenience:** EPFO pensioners can now submit digital life certificates via Jeevan Pramaan Patra programme, thereby easing the verification of pensioners so that they do not need to run from one office to another in order to get their pensions. This helps in further improving pensioner's convenience especially from remote locations. Currently

individuals living in remote places have to travel long distances to reach EPFO offices or banks for filing paper based life certificate. They can now approach nearby Common service centers (CSC), the service delivery points which are broadband enabled.

### **6.2 Less processing time and timely payment of pension:**

The physical life certificate was to be submitted to pension disbursing agencies in the month of November every year which also requires verification and attestation by a gazetted officer or bank official. Due to this, the process was very time consuming for the pensioner. The new process requires only a visit to the nearby Common Service Centre and submit the Aadhaar details and the biometric credentials for the digital life generation process. This does away the presence of any authorized officer to certify the pensioner being alive. This certification is done through system authentication of biometric credentials from UIDAI server. Thus, it reduces the time to process life certificate and ensures timely payment to the pensioner

**6.3 Reduction in corruption:** The source of corruption can always be traced to the dependence of a person on other specific person to get the work done. Since the digital life certificate submission process has done away with the manual intervention and dependence on authorized officials for obtaining the life certificate, there is hardly any scope for corruption.

**6.4 Minimal Chances of fraud:** There is an evidence of many cases where old aged pensions were being drawn fraudulently by the non-eligible beneficiaries. This was possible due to the wrong date of birth information given by the beneficiaries to the concerned social welfare departments. When in a specific case, the department investigated such cases, there were 800 such cases found where the pension was stopped after investigation. According to The Tribune, 24% beneficiaries of the pension scheme in Chandigarh, India are suspected to be fake while at least 10 persons have been found to be claiming pension fraudulently. These facts were highlighted after the linking of Aadhaar numbers with pension scheme. As many as 4,038 pensioners of the 21,092 beneficiaries did not turn up after the Social Welfare Department made the Aadhaar card mandatory for pension. When these cases were investigated, 10 cases were found as fake beneficiaries



## 7. Challenges in the implementation of Digital Life Certificate

The digital certification process, though being beneficial, has its own set of issues and challenges in its implementation:

**7.1 Reluctance of pensioners due to multiple pension benefits:** Not many people are coming forward to register for Aadhaar based digital life certificate as the system tracks down the various pensioner benefits being availed by them from different sources. In many cases, the pension benefits are not permissible if the beneficiary is availing pension under some other scheme. For instance, Old-Age Samman Pension Yojna and Widow Pension Yojna by the Government of state of Haryana, India exclude the pensioners of various other pension schemes including provident fund. The pensioners, therefore, tend to avoid submission of digital life certificates to escape tracking by multiple pension disbursement agencies and persist with manual life certificates, thereby defeating the very purpose of introducing a more convenient and transparent mode of submission of life certificate.

**7.2 Mismatch in beneficiary details:** In the course of analysis of a number of cases, it has been noted that the beneficiary details are different in pension papers vis-à-vis Aadhaar. While this may be due to submission of wrong details i.e. name, date of birth etc. at the time of either commencement of pension benefit or Aadhaar enrolment, this raise a concern about the genuineness of the person submitting life certificate through digital mode. More importantly, this leads to suspicion that the pensioner benefits might have been obtained unduly by furnishing wrong information i.e. over-stating the age to avail the benefits earlier than at the eligible time.

**7.3 Privacy issue:** There are growing concerns on sharing of information with third person other than the authorized ones. As such data has huge financial implications in terms of sale of data to third parties, it may lead to breach of privacy of individuals. According to a report by the Data Security Council of India submitted to the UIDAI, several security threats have been highlighted in respect of centralised databases of biometric personal identifiable information. Further, it can be a significant target for hackers and other malicious entities to exploit. There are also significant risks associated with transmitting biometric data

over networks where they may be intercepted, copied, and actually tampered with, often without any detection.

In the government of Jharkhand, a state of India, the Directorate of Social Security, a wing of the Department of Women, Child Development and Social Security has put on its website elaborate information about thousands of people who received benefits of various social security schemes. Not only the beneficiaries' Aadhaar numbers, their bank account numbers, the bank branches where these accounts are held were published on the website of the government's social security department. This was further compounded by the fact that the social grouping – caste and tribal affiliation – of thousands of beneficiaries was also mentioned on this website.

**7.4 Infrastructure issues:** It has been observed during the capture of biometric credentials of the pensioners for the purpose of digital life certificates that in a significant number of cases, the authentication of beneficiary pensioner through their finger prints was not very successful as compared to iris based biometric readers. The availability of Iris based biometric readers, being costly, is an infrastructure challenge in the remote areas, which needs to be addressed for the effective implementation of digital life certificate process. Further, it has been noticed that sometimes, there are connectivity issues between the touch points, where the pensioners approach to submit the digital life certificates, and the UIDAI servers for authentication, thereby delaying the process of digital life certificate submission. This causes an inconvenience to the old pensioners. This infrastructure problem has to be addressed on top priority as the pensioner may start questioning the convenience of the digital process and may return to the physical mode of digital life certificate submission.

**7.5 Low digital literacy level of the pensioners:** The implementation of Digital Life Certificate for pension disbursement in rural areas is a great challenge for the government because of the low digital literacy level. Many pensioners still face a number of barriers in using this scheme. They lack technical literacy and confidence required to use Smartphone, network quality, coverage and internet connectivity. Although Indian government has instructed Common Service Centers (CSC) to facilitate Government Pensioners to register Digital Life Certificates using Aadhaar authentication but according to an Indian

newspaper 'The Hindu', pensioners are not even aware of the existence of CSCs. They should be spread across the city to enable pensioners to go to the nearest one.

### **Conclusion:**

Undoubtedly, the initiative of the Government of India to introduce Aadhaar based Digital Life Certificate has been a great step in the direction of smooth and trouble-free disbursement of the pension funds. This initiative would definitely make the life of the pensioners easy by saving the time of travelling to the disbursing center every year, irrespective of where he/she lives or the health conditions. It is useful for sick and infirm pensioners and those who have relocated to different city. In spite of having the tangible benefits of the scheme, there are some challenges in the implementation of this scheme in India. The pensioners are not coming forward to register their life certificates through Aadhaar based digital platforms. While this may be due to initial natural reluctance to the new technology based interventions, this may not be the primary reason. The paltry pension benefits in some schemes in India is possibly one of the reasons that the pensioners are drawing pension from multiple sources, even if they are not eligible for such multiple pension benefits. These challenges are not to be viewed from a narrow perspective of fraudulent tendencies of people at large, but have to be addressed by understanding the socio-economic conditions of the old age people in the country, which is a subject matter of another full-fledged research.

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