

BANK EMPLOYEES' PENSION REGULATIONS, 1995

Notification dated 29th September 1995

In exercise of the powers conferred by Clause (f) of sub section (2) of section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) the Board of Directors of after consultation with the Reserve Bank of India and with the previous sanction of the Central Government hereby makes the following regulations, namely:-

PRELIMINARY

1. Short title and commencement:

(1) These regulations may be called (Employees') Pension Regulations, 1995.

(2) Save as otherwise expressly provided in these regulations, these regulations shall be deemed to have come into force on the date of their publication in the Official Gazette.

2. Definitions: In these regulations, unless the context otherwise requires;

(a) "Act" means the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970);

(b) "Actuary" Shall have the meaning assigned to it in clause (1) of section 2 of the Insurance Act, 1938 (4 of 1938);

(c) "Appendix" means, an Appendix annexed to these regulations;

(d) "Average emoluments" means the average of the pay drawn by an employee during the last ten months of his service in the Bank;

(e) "Bank" means mentioned under Column 2 of THE FIRST SCHEDULE of the Act.

- (f) "Board" means the Board of Directors of the Bank;
- (g) "Child" means a child of the employee, who, if a son, is under twenty-five years of age and if a daughter, is unmarried and is under twenty-five years of age and the expression "children" shall be construed accordingly;
- (h) "Competent Authority" means the authority appointed by the Board for the purposes of these regulations;
- (i) "Consolidated wages" means lump sum amount payable to part-time employee belonging to the subordinate staff who is not drawing scale wages;
- (j) "Contribution" means any sum credited by the Bank on behalf of employee to the Fund, but shall not include any sum credited as interest;
- (k) "Date of retirement" means the last date of the month in which an employee attains the age of superannuation or the date on which he is retired by the Bank or the date on which the employee voluntarily retires; or the date on which the employee is deemed to have retired;
- (l) "Deemed to have retired" means cessation from service of the Bank on appointment by Central Government as a whole-time Director or Managing Director or Chairman in the Bank or in any other Bank specified in column 2 of the FIRST SCHEDULE of the Act or Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) or in any public financial institution or State Bank of India established under State bank of India Act, 1955 (23 of 1955)
- (m) "Discipline and appeal Regulations" means the Officer Employees' (Discipline and Appeal) Regulations, 1976 made under section 19 of the Act;

(n) "Employee" means any person employed in the service of the Bank on full time work on permanent basis or on part-time work on permanent basis on scale wages and who opts and is governed by these regulations, but those not include a person employed either on contract basis or daily wage basis or on consolidated wages;

(o) "Family" in relation to an employee means:-

(a) wife in the case of a male employee or husband in the case of a female employee;

(b) a judicially separated wife or husband, such separation not being granted on the ground of adultery and the person surviving was not held guilty of committing adultery;

(c) son who not attained the age of twenty-five years and unmarried daughter who has not attained the age of twenty five years, including such son or daughter adopted legally;

(p) "Financial year" means a year commencing on the 1st day of April;

(q) "Fund" means the (Employees') Pension Fund constituted under Regulation 5;

(r) "Notified date" means the date on which these regulations are published in the Official Gazette;

(s) "Pay" includes, -

(a) in relation to an employee who has either retired or died on or after the 1st day of January, 1986 but before the 1st day of November, 1993, -

(i) the basic pay including stagnation increments, if any, and

(ii) all allowances counted for the purposes of making contribution to the Provident Fund and for the payment of dearness allowance;

(b) in relation to an employee who retires or dies while in service on or after the 1st day of November, 1993, -

(i) the basic pay including stagnation increments, if any; and

(ii) all allowances counted for the purpose of making contribution to the Provident Fund and for the payment of dearness allowance; and

(iii) increment component of Fixed Personal Allowance; and

(iv) dearness allowance calculated up to Index number 1148 points in the All India Average Consumer Price Index for industrial workers in the series 1960 = 100;

(t) "Pension" includes the basic pension and additional pension referred to in Chapter VI of these regulations;

(u) "Pensioner" means an employee eligible for pension under these regulations;

(v) "Public Financial Institution" means of financial institution regarded as a public financial institution for the purpose of section 4A of the Companies Act, 1956, (1 of 1956);

(w) "Qualifying service" means the service rendered while on duty or otherwise which shall be taken into account for the purpose of pension under these regulations;

(x) "Retired" includes deemed to have retired under clause (l);

(y) "Retirement" means cessation from Bank's service; -

(a) on attaining the age of superannuation specified in Service Regulations or Settlements;

(b) on voluntary retirement in accordance with provisions contained in regulation 29 of these regulations;

(c) on premature retirement by the Bank before attaining the age of superannuation specified in Service Regulations or settlement;

(z) "Scale wages" in relation to part-time employees means the basic pay, City Compensatory Allowance, Special allowances, House Rent Allowance and other allowances, if any, and dearness allowance payable from time to time under the settlement;

(za) "Service regulations" means (Officer's) Service Regulations, 1979 made under section 19 of the Act;

(zb) "Settlement" means memorandum of settlement agreed between the management of the Bank represented by the association authorised by them and workmen of such Bank represented by trade unions authorised by them;

(zc) "Trust" means the trust of the (Employees') Pension Fund constituted under sub-regulation (1) of Regulation 5;

(zd) "Trustee" means the trustees of the (Employees') Pension Fund constituted under regulation 5;

(ze) "Trustee of the Provident Fund" mean the trustees of the Provident Fund of the Bank;

(zf) all other words and expressions used in these regulations but not defined, and defined in the Act or the Service Regulations or Settlements shall have the same meanings respectively assigned to them in the Act, the Service Regulations or Settlement, as the case may be.

APPLICATION AND ELIGIBILITY

3. APPLICATION: These regulations shall apply to employees who, -
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(1) (a) were in the service of the Bank on or after the 1st day of January, 1986 but had retired before the 1st day of November, 1993; and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b) the entire amount of the Bank's contribution to the Provident Fund including interest accrued thereon together with a further simple interest at the rate of six percent per annum on the said amount from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Bank; or

(2) (a) have retired on or after the 1st day of November, 1993 but before the notified date and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b) the entire amount of the Bank's contribution to the Provident Fund and interest accrued thereon together with a further simple interest at rate of six percent per annum on the said amount from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Bank; or

(3) (a) are in the service of the Bank before the notified date and continue to be in the service of the Bank on or after the notified date; and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) authorise the trust of the Provident Fund of the Bank to transfer the entire contribution of the Bank along with the interest accrued thereon to the credit of the Fund constituted for the purpose under Regulation 5; or

(4) join the service of the Bank on or after the notified date; or

(5) were in the service of the Bank during any time on or after the 1st day of November, 1993 and had died after retirement but before the notified date, their family shall be entitled for the amount of pension payable to them from the date on which they would have been entitled to pension under these regulations, had they been alive till the date on which they died, if the family of the deceased:-

(a) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(b) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a) above the entire amount of the Bank's contribution to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of six percent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Bank; or

(6) joined the service of the Bank on or after the 1st day of November, 1993 but who have died while in the service of the Bank before the notified date, their family shall be entitled to the family pension under these regulations; Provided that the family of such a deceased employee refunds within one hundred and eighty days from the notified date the entire amount of the Bank's contribution to the Provident Fund, if any, and interest accrued thereon together with further simple interest at the rate of six per cent per annum from

the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Bank; Provided further that the family of such a deceased employee shall apply in writing for grant of family pension; or

(7) were in the service of the Bank during any time on or after the 1st day of January, 1986 and had died while in service on or before the 31st day of October, 1993 or had retired on or before the 31st of October, 1993 but died before the notified date in which case their family shall be entitled to the pension or the family pension as the case may be under these regulations, if the family of the deceased:-

(a) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(b) refund within sixty days of the expiry of the said period of one hundred and twenty days specified in clause (a) above the entire amount of the Bank's contribution to the Provident fund and interest accrued thereon together with a further simple interest at the rate of six percent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Bank; or

(8) joined the service of the Bank on or before the 31st day of October, 1993 and who died while in service on or after the 1st day of November, 1993, but before the notified date in which case their families shall be entitled to family pension under these regulations if the family of the deceased employee,-

(a) exercise an option in writing within one hundred and twenty days from the notified date to become a member of the Fund; and

(b) refund within sixty days of the expiry of the said period of one hundred and twenty days specified in clause (a) above the entire amount of the Bank's contribution to the Provident Fund, including interest accrued thereon together with a further simple interest at the rate of six percent per annum from the date of settlement of the

Provident Fund account of the employee till the date of refund of the aforesaid amount to the Bank;

(9) Notwithstanding anything contained in sub-regulations (1), (2), (3), (5) and (8) an option exercised before the notified date by an employee or the family of a deceased employee in pursuance of the settlement shall be deemed to be an option for the purpose of this chapter if such an employee or the family of deceased employee refund within Sixty days from the notified date, the amount of the bank's contribution to the Provident Fund including interest accrued thereon together with a further simple interest in accordance with the provisions of this chapter and in case employer's contribution of Provident Fund has not been received from Provident Fund Trust, has authorised or authorises within Sixty days from the notified date the Trustees of the Provident Fund of the Bank to transfer the entire contributions of the Bank to the Provident Fund including interest accrued thereon in accordance with the provisions of this Chapter to the credit of the Fund constituted for this purpose under Regulation 5. (Waiver of Interest to be paid by retired employees on P.F. to be refunded Refer IBA Circular No. PD/CIR/76/G(ii)/391 dated 11-06-1996)

4. Option to Subscribe to the Provident Fund –

(1) Notwithstanding anything contained in sub-regulation (4) of regulation 3, an employee who joins the service of the Bank on or after the notified date at the age of thirty-five years or more, may, within a period of ninety days from the date of his appointment, elect, to forego his right to pension, whereupon these regulations shall not apply to him.

(2) The option referred to in sub-regulation (1) and regulation 3, once exercised, shall be final.

THE FUND

5. Constitution of the Fund:-

(1) The Bank shall constitute a Fund to be called the (Employees') Pension Fund under an irrevocable trust within one hundred twenty days from the notified date.

(2) The fund shall have for its sole purpose the provision of the payment of pension or family in accordance with these regulations to the employee or his family.

(3) The Bank shall be a contributor to the Fund and shall ensure that sufficient sums are placed in it to enable the trustees to make due payments to beneficiaries under these regulations.

6. Liability of the Provident Fund Trust:-

The Provident Fund trust shall, immediately after the constitution of the Fund, transfer to the (Employees) Pension Fund the accumulated balance of the contribution of the Bank to the Provident Fund and interest accrued thereon up to the date of such transfer in respect of every employee.

7. Composition of the Fund:-

The Fund shall consist of the following, namely:-

(a) the contribution by the Bank at the rate of ten per cent per month of the pay of the employee;

(b) the accumulated contributions of the Bank to the Provident Fund and interest accrued thereon up to the date of such transfer in respect of the employees;

(c) the amount consisting of contributions of the Bank along with interest refunded by the employees who had retired before the notified date but who opt for pension in accordance with the provisions contained in these regulations;

(d) the investment in annuities or securities purchased out of the moneys of the Fund and interest thereon;

(e) amount of any capital gains arising from the capital assets of the Fund;

(f) the additional annual contribution made by the Bank in accordance with the provisions contained in regulations 11 of these regulations.

(g) any income from investment of the amounts credited to the Fund;

(h) the amount consisting of contribution of the Bank along with interest refunded by the family of the deceased employee.

8. Board of Trustees:-

(1) The Board of trustees shall consist of such number of persons not less than three and not more than nine, as may be determined by the Board, to be appointed by the Bank.

(2) The power to appoint the trustees shall be vested with the Bank and all such appointments shall be made in writing.

(3) The Bank shall nominate one of the trustees to be the Chairman of the Board of trustees. The Bank shall also nominate a trustee to be an alternate Chairman who shall act as Chairman in the absence of the Chairman.

9. Trustees to carry out the directions of the Bank:-

The trustees shall comply with all such directions as many be given by the Bank for the proper functioning of the Fund.

10. Books of accounts of the Fund:-

(1) The accounts of the Fund, shall contain the particulars of all financial transactions relating to the Fund in such form as may be specified by the Bank.

(2) Within one hundred and eighty days from the closing of each financial year, the trust shall prepare a financial statement of the trust indicating therein the general account of assets and liabilities of the trust and forward a copy of the same to the Bank.

(3) The account of the Fund shall be audited in accordance with the provisions of section 10 of the Act.

11. Actuarial investigation of the Fund:-

The Bank shall cause an investigation to be made by an Actuary into the financial condition of the Fund every financial year, on the 31st day of March, and make such additional annual contributions to the Fund as may be required to secure payment of the benefits under these regulations: Provided that the Bank shall cause an investigation to be made by an Actuary into the Financial condition of the Fund, as on the 31st day of March immediately following the financial year in which the Fund is constituted.

12. Investment of the Fund:-

All moneys contributed to the Fund or received or accruing after that date by way of interest or otherwise to the Fund, may be deposited in a Post Office Savings Bank account in India or in a current account with any scheduled bank or utilised in accordance with the provisions of the Indian Trust Act, 1882 (2 of 1882)

13. Payment out of the Fund:-

The payment of benefits by the trust shall be administered for grant of pensionary benefits to the employees of the Bank or the family pension to the families of the deceased employees of the Bank.

QUALIFYING SERVICE

14. Qualifying Service:-

Subject to the other conditions contained in these regulations, an employee who has rendered a minimum of ten years of service in the Bank on the date of his retirement or the date on which he is deemed to have retired shall qualify for pension.

15. Commencement of qualifying service:-

Subject to the provisions contained in these regulations, qualifying service of an employee shall commence from the date he takes charge of the post to which he is first appointed on a permanent basis.

16. Counting of service on probation:-

Service on probation against a post in the bank if followed by confirmation in the same or any other post shall qualify.

17. Counting of periods spent on leave:-

All leave during service in the Bank for which leave salary is payable shall count as qualifying service; Provided that extraordinary leave on loss of pay shall not count as qualifying service except when the sanctioning authority has directed that such leave not exceeding twelve months during the entire service, may count as service for all purpose including pension.

18. Broken period of service of less than one year:-

If the period of service of an employee includes broken period of service less than one year, then if such broken period is more than six months, it shall be treated as one year and if such broken period is six months or less it shall be ignored.

BROKEN PERIOD OF SERVICE OF LESS THAN ONE YEAR: In terms of Regulation 18 of the Bank (Employees') Pension Regulations,

1995, if the period of service of an employee includes broken period of service less than one year, then if such broken period is more than six months, it shall be treated as one year and if such broken period is six months or less it shall be ignored. An employee becomes eligible for pension provided he has rendered a certain minimum number of years of service. Whereas an employee becomes eligible for superannuation pension or invalid pension or premature retirement pension or compulsory retirement pension after he renders a minimum of ten years of qualifying service, to be eligible for pension on voluntary retirement an employee has to complete a minimum of twenty years of qualifying service. We have been receiving queries from member banks as to whether employees are eligible for pension or pension on voluntary retirement if after deducting non-qualifying service from the total service the net qualifying service works out to more than 9 years and 6 months or more than 19 years and 6 months, as the case may be. We had advised the Government of India, Ministry of Finance (Banking Division) that to become eligible for pension, net qualifying service after deducting the non-qualifying service from the total service, should be 20 years or more in respect of those who voluntarily retire and 10 years or more in respect of others and it is only for that part of the net qualifying service beyond 10 years or 20 years that the provision of Regulation 18 can be applied. The Government of India, Ministry of Finance (Banking Division) has since conveyed their approval to the above proposal and for amending Regulation 18 of Bank Employees' Pension Regulations, 1995 by adding the following proviso:

“Provided that provisions of this regulation shall not be applied for determining the minimum service required to make an employee eligible for pension”.

(IBA Circular No. PD/CIR/76/G2/797 Dt. 14-08-1999)

19. Counting of period spent on training:-

Period spent by an employee on training in the Bank immediately before his appointment shall count as qualifying service.

20. Counting of past service in the erstwhile Bank:-

In the case of an employee who is permanently transferred to a service in the bank from any other Bank on merger, amalgamation of any other Bank with the bank to which these regulations apply, the continuous service rendered by such an employee in any other Bank on permanent basis, if any, followed without interruption, by permanent appointment or the continuous service rendered under that Bank in a permanent capacity, as the case may be, shall qualify. Provided that nothing contained in this regulation shall apply to any such employee who is appointed on contract basis or on daily wage basis or on consolidated wages.

21. Period of suspension:-

Period of suspension of an employee pending enquiry shall count for qualifying service where, on conclusion of such enquiry, he has been fully exonerated or the suspension is held to be wholly unjustified and in other cases, the period of suspension shall not count as qualifying service unless the Competent Authority passing the orders under the Service Regulations or Discipline and Appeal Regulations or Settlements governing such cases expressly declares at the time that it shall count to such extent as such authority may declare.

22. Forfeiture of service:-

(1) Resignation or dismissal or removal or termination of an employee from the service of the Bank shall entail forfeiture of his entire past service and consequently shall not qualify for pensionary benefits;

(2) An interruption in the service of a Bank employee entails forfeiture of his past service, except in the following cases, namely

(a) authorised leave of absence;

(b) suspension, where it is immediately followed by reinstatement, whether in the same or a different post, or where the bank employee dies or is permitted to retire or is retired on attaining the age of compulsory retirement while under suspension;

(c) transfer to non-qualifying service in an establishment under the control of the Government or Bank if such transfer has been ordered by a competent authority in the public interest;

(d) joining time while on transfer from one post to another.

(3) Notwithstanding anything contained in sub-regulation (2), the appointing authority may, by order, commute retrospectively the periods of absence without leave as extraordinary leave.

(4) (a) In the absence of a specific indication to the contrary in the service record, an interruption between two spells of service rendered by a bank employee shall be treated as automatically condoned and the pre-interruption service treated as qualifying service;

(b) Nothing in clause (a) shall apply to interruption caused by resignation, dismissal or removal from service or for participation in a strike;

The Government of India, vide their letter F.No. 4/8/4/95-IR dated 26th August, 1996 had advised us of their decision that necessary amendments be made to the Bank (Employees') Pension Regulations, 1995 to substitute the word 'strike' by the words 'illegal strike' in Regulations No. 22(4) (b). We had vide our circular letter No. PD/CIR/76/G(ii)/943 dated 7th September, 1996 advised the banks to note of the above decision of Government of India pending amendments to the Pension Regulations. We are now informed by the Government of India (Banking Division) that after re-examination of the matter it has now been decided that the provision for forfeiture of past service for participation in illegal strikes may be deleted.

(IBA Circular No. PD/CIR/76/G(ii)/1545 Dt. 02-01-1998)

23. Period of deputation to foreign service:-

An employee deputed on foreign service to the United Nations or any other foreign body or organisation may at his option,

(a) pay pension contribution in respect of his foreign service and count such service as qualifying service under these regulations; or

(b) avail of the retirement benefits admissible under the rules of the foreign employer and not count such service as qualifying service under these regulations: Provided that where an employee opts for clause (b) retirement benefits shall be payable to him in India in rupees from such date and in such manner as the Bank may, by order specify.

24. Military Service:-

An employee who has rendered military service before appointment in the Bank shall continue to draw the military pension, if any, and military service rendered by the employee shall not count as qualifying service for pension.

REQUEST BY FAMILY PENSIONERS TO DRAW MILITARY FAMILY PENSION FOREGOING FAMILY PENSION: We had taken up the matter with the Government of India, Ministry of Finance, (Banking Division) who have after examining the matter in consultation with Department of Pension and Pensioners' Welfare advised that family members of re-employed ex-servicemen entitled for family pension under the Bank (employees') Pension Regulations, 1995 are not eligible to draw family pension from Government. It has been further clarified that for drawing family pension from Government, the family members of such persons will have to forgo their claims for payment of family pension from the Bank in accordance with the provisions of sub-rule (13-B) of Rule 54 of the

CCS (Pension) Rules. Sub-rule (13-B) of Rule 54 of the Central Civil Services (Pension) Rules reads as under:-

“Family pension admissible under this rule shall not be granted to a person who is already in receipt of family pension or is eligible therefore under any other rules of the Central Government or a State Government and/or Public Sector Undertaking/ Autonomous Body/Local Fund under the Central or a State Government. Provided that a person who is otherwise eligible for family pension under this rule may opt to receive family pension under this rule if he forgoes family pension admissible from any other service”.

In view of the above, a beneficiary of family pension who wishes to forgo his family pension under the Bank (Employees') Pension Regulations, 1995 in favour of military family pension, may apply accordingly in writing to the Bank/Pension Fund. The Bank/Pension Fund may take the application on record and act accordingly. Drawing a reference to his application a certificate to the effect that family pension in terms of Bank (Employees') Pension Regulations, 1995 is being stopped to the beneficiary in view of his forgoing the same to enable him to draw military family pension as required by sub-rule (13-B) of Rule 54 of Central Civil Services (Pension) Rules may be issued to him. In this regard, we are also to advise as under:-

(i) Family pensioners, if any, who are drawing family pension from the Bank as well as from the Government may be advised of the extant provisions in the CCS (Pension) Rules and asked to submit their option for pension as suggested above. If the family pensioner desires to draw family pension from the Bank, then the concerned PPO issuing authorities may be informed accordingly. However, if the family pensioner desires to draw family pension from the Government, then the Bank may take steps to stop payment of family pension following the aforesaid procedure and inform the concerned pension authorities.

(ii) On the death of the employee/pensioner the Bank may obtain from the eligible family pensioner in writing his/her option to draw family pension and act accordingly.

(iii) The spouse of the deceased employee would be forgoing only his/her right to family pension under the Pension Regulations, 1995 and would not be relinquishing the right of others in the family. Upon his becoming ineligible for pension either due to re-marriage or death, the other eligible beneficiaries in the family may still exercise their right to draw family pension under the Regulations.

(IBA Circular No. PD/CIR/76/G2/1218 Dt. 30-10-1999)

25. Period of deputation to an organisation in India:-

Period of deputation of an employee to another organisation in India will count as qualifying service : Provided the organisation to which he is deputed or the employee pays the pensionary contributions at the rates specified in sub regulation (a) of regulation 7 of these regulations or at the rates specified by the Bank at the time of deputation, whichever is higher to the Bank.

26. Addition to qualifying service in special circumstances:-

An employee shall be eligible to add to his service qualifying for superannuation pension (but not for any other class of pension) the actual period not exceeding one fourth of the length of his service or the actual period by which his age at the time of recruitment exceeded the upper age limit specified by the Bank for direct recruitment or a period of five years whichever, is less, if the service or post to which the employee is appointed is one -

(a) for which post graduate research, or specialist qualification or experience in scientific, technological, or professional fields is essential and

(b) to which candidates of age exceeding the upper age limit specified for direct recruitment are normally recruited;

(c) for which the candidate was given age relaxation over and above the maximum age limit fixed by the Bank on account of his possessing higher qualifications or experience: Provided that this concession shall not be admissible to an employee unless his actual qualifying service at the time he quits the service in the Bank is not less than ten years: Provided further that this concession shall be admissible if the recruitment rules in respect of the said service or post contain specific provision that the service or post is one which carries benefit of this regulation: Provided also that the recruitment rules in respect of any service or post which carries the benefit of this regulation shall be made with the approval of the Central Government.

27. Counting of service rendered on permanent part-time basis:-

(1) In case of an employee who was employed on scale wages and on a permanent part-time basis in the service of Bank and was contributing to the provident Fund, such service rendered by him on a permanent part-time basis from the date he became a member of the Provident Fund shall be counted as qualifying service.

(2) The length of qualifying service of the employee referred to in sub regulation (1) for the purpose of calculating the amount of pension shall be determined in accordance with Appendix (iv)

QUALIFYING SERVICE

28. Superannuation pension:-

Superannuation pension shall be granted to an employee who has retired on his attaining the age of superannuation specified in the Service Regulations or Settlements.

29. Pension on Voluntary Retirement:-

(1) On or after the 1st day of November, 1993 at anytime after an employee has completed twenty years of qualifying service he may, by giving notice of not less than three months in writing to the appointing authority retire from service; Provided that this sub-regulation shall not apply to an employee who is on deputation or on study leave abroad unless after having been transferred or having returned to India he has resumed charge of the post in India and has served for a period of not less than one year; Provided further that this sub-regulation shall not apply to an employee who seeks retirement from service for being absorbed permanently in an autonomous body or a public sector undertaking or company or institution or body, whether incorporated or not to which he is on deputation at the time of seeking voluntary retirement. Provided that this sub-regulation shall not apply to an employee who is deemed to have retired in accordance with clause (1) of regulation 2

(2) The notice of voluntary retirement given under sub-regulation (1) shall require acceptance by the appointing authority : Provided that where the appointing authority does not refuse to grant the permission for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.

(3) (a) An employee referred to in sub-regulation (1) may make a request in writing to the appointing authority to accept notice of voluntary retirement of less than three months giving reasons therefore.

(b) On receipt of request under clause (a), the appointing authority, may, subject to the provisions of sub-regulation (2), consider such request for the curtailment of the period of notice of three months on merits and if it is satisfied that the curtailment of the period of notice will not cause any administrative inconvenience, the appointing authority may relax the requirement of notice of three months on the condition that the employee shall not apply for commutation of a part of his pension before the expiry of the notice of three months.

(4) An employee, who has elected to retire under this regulation and has given necessary notice to that effect to the appointing authority, shall be precluded from withdrawing his notice except with the specific approval of such authority; Provided that the request for such withdrawal shall be made before the intended date of his retirement.

(5) The qualifying service of an employee retiring voluntarily under this regulation shall be increased by a period not exceeding five years, subject to the condition that the total qualifying service rendered by such employee shall not in any case exceed thirty-three years and it does not take him beyond the date of superannuation.

(6) The pension of an employee retiring under this regulation shall be based on the average emoluments as defined under clause (d) of regulation 2 of these regulations and the increase, not exceeding five years in his qualifying service, shall not entitle him to any notional fixation of pay for the purpose of calculating his pension.

30. Invalid Pension:-

(1) Invalid pension may be granted to an employee who :-

(a) has rendered minimum ten years of service, and

(b) retires from the service on or after the 1st day of November 1993, on account of any bodily or mental infirmity which permanently incapacitates him for the service.

(2) An employee applying for an invalid pension shall submit a medical certificate of incapacity from a medical officer approved by the Bank.

(3) Where the Medical Officer approved by the Bank has declared the employee fit for further service of less laborious character than that which he had been doing, he should, provided he is willing to be so

employed, be employed on lower post and if there be no means of employing him even on a lower post, he may be admitted to invalid pension.

(4) No medical certificate of incapacity for services may be granted unless the applicant produces a letter to show that the Competent Authority is aware of the intention of the applicant to appear before the medical Officer approved by the Bank.

(5) The medical officer approved by the Bank shall also be supplied by the Competent Authority in which the applicant is employed with a statement of what appears from official records to be the age of the applicant.

31. Compassionate Allowance:-

(1) An employee, who is dismissed or removed or terminated from service, shall forfeit his pension: Provided that the authority higher than the authority competent to dismiss or remove or terminate him from service may, if

(i) such dismissal, removal, or termination is on or after the 1st day of November, 1993, and

(ii) the case is deserving of special consideration, sanction a compassionate allowance not exceeding two-thirds of the pension which would have been admissible to him on the basis of the qualifying service rendered up to the date of his dismissal, removal or termination.

(2) The Compassionate Allowance sanctioned under the proviso to sub regulation (1) shall not be less than the amount of minimum pension payable under regulation 36 of these regulations.

32. Premature Retirement Pension:-

Premature Retirement Pension may be granted to an employee who :-

(a) has rendered minimum ten years of service ;

(b) retires from service on account of orders of the Bank to retire prematurely in the public interest or for any other reason specified in service regulations or settlement; if otherwise he was entitled to such pension on superannuation on that date.

33. Compulsory Retirement Pension:-

(1) An employee compulsorily retired from service as a penalty on or after 1st day of November, 1993, in terms of Discipline and Appeal Regulations or settlement by the authority higher than the authority competent to impose such penalty may be granted pension at a rate not less than two-thirds and not more than full pension admissible to him on the date of his compulsory retirement if otherwise he was entitled to such pension on superannuation on that date.

(2) Whenever in the case of a bank employee the Competent Authority passes an order (whether original, appellate or in exercise of power of review) awarding a pension less than the full compensation pension admissible under these regulations, the Board of Directors shall be consulted before such order is passed.

(3) A pension granted or awarded under sub-regulation (1) or, as the case may be, under sub-regulation (2), shall not be less than the amount of rupees three hundred and seventy five per mensem.

34. Payment of pension or family pension in respect of employees who retired or died between 01-01- 1986 and 31-10-1993:-

(1) Employees who have retired from the service of the Bank, between the 1st day of January, 1986 and the 31st day of October, 1993 shall be eligible for pension with effect from the 1st day of November, 1993.

(2) The family of a deceased employee governed by the provisions contained in sub-regulation (7) of regulation 3 shall be eligible for family pension with effect from the 1st day of November, 1993.

RATE OF PENSION

35. Amount of Pension:-

(1) In respect of employees who retired between the 1st day of January, 1986 but before the 31st day of October, 1987, basic pension and additional pension will be updated as per the formula given in Appendix - I.

(2) In the case of an employee retiring in accordance with the provisions of the Service Regulations or Settlement after completing a qualifying service of not less than thirty three years the amount of basic pension shall be calculated at fifty per cent of the average emoluments.

(3) (a) Additional pension shall be fifty per cent of the average amount of the allowances drawn by an employee during the last ten months of his service;

(b) no dearness relief shall be paid on the amount of additional pension.

Explanation:-

For the purpose of this sub-regulation "allowances" means allowances which are admissible to the extent counted for making contributions to the Provident Fund.

(4) Pension as computed being aggregate of sub-regulations (2) and (3) above shall be subject to the minimum pension as specified in these regulations.

(5) An employee who has commuted the admissible portion of his pension as per the provisions of regulation 41 of these regulations shall receive only the balance of pension, monthly.

(6) (a) In the case of an employee retiring before completing a qualifying service of thirty-three years, but after completing a qualifying service of ten years, the amount of pension shall be proportionate to the amount of pension admissible under sub-regulations (2) and (3) and in no case the amount of pension shall be less than the amount of minimum pension specified in these regulations.

(b) Notwithstanding any thing contained in these regulations, the amount of invalid pension shall not be less than the ordinary rate of family pension which would have been payable to his family in the event of his death while in service.

(7) The amount of pension finally determined under this regulation shall be expressed in whole rupee and where the pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee.

36. Minimum pension:-

The amount of minimum pension shall be,

(a) rupees three hundred and seventy five per month in respect of an employee other than a part-time employee who had retired before the 1st day of November, 1993.

(b) rupees one hundred and twenty five per month in respect of a part-time employee who had retired before the 1st day of November 1993;

(c) rupees seven hundred and twenty per month in respect of an employee other than part-time employee who retires on or after the 1st day of November, 1993; and

(d) rupees two hundred and forty per month in respect of a part-time employee who retires on or after the 1st day of November, 1993.

37. Dearness Relief:-

(1) Dearness relief shall be granted on basic pension or family pension or invalid pension or on compassionate allowance in accordance with the rates specified in Appendix - II.

(2) Dearness relief shall be allowed on full basic pension even after commutation.

38. Determination of the period of ten months for average emoluments:-

(1) The period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date of retirement.

(2) In the case of voluntary retirement or premature retirement the period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date on which the employee voluntarily retires or is prematurely retired by the Bank.

(3) In the case of dismissal or removal or compulsory retirement or termination of service the period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date on which the employee is dismissed or removed or compulsorily retired or terminated by the Bank.

(4) If during the last ten months of the service an employee had been absent from duty on extraordinary leave on loss of pay or had been under suspension and the period whereof does not count as service, the aforesaid period of extraordinary leave or suspension shall not be taken into account in the calculation of the average emoluments and an equal period before the ten months shall be included.

FAMILY PENSION

39. Family Pension:-

(1) Without prejudice to the provisions contained in these regulations where an employee dies:

(a) after completion of one year of continuous service; or

(b) before completion of one year of continuous service provided the deceased employee concerned immediately prior to his appointment to the service or post was examined by a medical officer approved by the Bank and declared fit for employment in the Bank; or

(c) after retirement from service and was on the date of death in receipt of a pension, or compassionate allowance; the family of the deceased shall be entitled to family pension, the amount of which shall be determined in accordance with Appendix - III.

(2) The amount of family pension shall be fixed at monthly rates and be expressed in whole rupees and where the family pension contains; a fraction of a rupee, it shall be rounded off to the next higher rupee; Provided that in no case a family pension in excess of the maximum prescribed under these regulations shall be allowed.

(3) (a) (i) Where an employee, who is not governed by the Workmen's Compensation Act, 1923, (8 of 1923), dies while in service after having rendered not less than seven years' continuous service, the rate of family pension payable to the family shall be equal to fifty per cent of the pay last drawn or twice the family pension admissible under sub-regulation (1), whichever is less, and the amount so admissible shall be payable from the date following the date of death of the employee for a period of seven years or for a period up to the date on which the deceased employee would have attained the age of sixty five years had he survived, whichever is less;

(ii) In the event of death of an employee after retirement, the family pension as determined under clause (a) or clause (b) of this sub-

regulation shall be payable for a period of seven years or for a period up to the date on which the retired deceased employee would have attained the age of sixty five years had he survived, whichever is less;

(b) (i) Where an employee, who is governed by the Workmen's Compensation Act, 1923 (8 of 1923), dies while in service after having rendered not less than seven years' continuous service, the rate of family pension payable to the family shall be equal to fifty per cent, of the pay last drawn or one and half times the family pension admissible under sub-regulation (1), whichever is less;

(ii) the family pension so determined under sub-clause (1) shall be payable for the period mentioned in clause (a);

(c) after the expiry of the period referred to in clause (a), the family, in receipt of family pension under that clause or clause (b) shall be entitled to family pension at the rate admissible under sub-regulation (1).

(4) Notwithstanding anything contained in these regulations where the family of a deceased employee opts for pension in accordance with sub-regulation (5) of regulation 3 or is governed by the provisions contained in sub-regulation (6) or (7) or (8) of regulation 3, such family of the deceased shall be eligible for family pension under these regulations.

COMPUTATION OF FAMILY PENSION: Pension/family pension, as the case may be, is payable to eligible retirees/family of the deceased employee or retired as per provisions of Regulation 35 or at rates as in Appendix - III to Bank (Employees) Pension Regulations, 1995. Some of the member banks have raised queries regarding computation of family pension when it exceeds the pension authorised to the employee on his retirement from service. We had taken up the matter with the Government of India, Ministry of Finance (Banking Division) who have since advised that in case of death of an employee after retirement from service the amount of family pension payable shall be at the enhanced rates as in sub-

regulation (3) (a) (ii) of Regulation 39 i.e., at the rate of fifty per cent of the pay last drawn or twice the amount of family pension admissible at the ordinary rate, whichever is less, subject to the condition that the amount of family pension drawn at the enhanced rate shall not exceed the pension authorised to the employee on his retirement from service. If the pension authorised to the employee on his retirement is less than the amount of family pension at the ordinary rates, then the family shall be allowed family pension at the ordinary rates. Banks are advised to take note of the above while sanctioning/paying family pension, pending amendments in the Pension Regulations.

(IBA Circular No. PD/CIR/76/G(ii)/495 Dt. 28-07-1998)

40. Period of payment of family pension:-

The period for which family pension is payable shall be :-

(a) in the case of a widow or a widower, up to the date of death or re-marriage, whichever is earlier;

(b) in the case of a son, until he attains the age of twenty-five years; and

(c) in the case of an unmarried daughter, until she attains the age of twenty-five years or until she gets married, whichever is earlier; Provided that if the son or daughter of an employee is suffering from any disorder or disability of mind or is physically crippled or disabled so as to render him or her unable to earn a living even after attaining the age of twenty-five years, the family pension shall be payable to such son or daughter for life subject to the following conditions, viz.:-

(i) if such son or daughter is one among two or more Children of the employee, the family pension shall be initially payable to the minor children in the order set out in clause (e) of sub-regulation (1) until the last minor child attains the age of twenty-five years and thereafter the family pension shall be resumed in favour of the son or daughter

suffering from disorder or disability of mind or who is physically crippled or disabled and shall be payable to him or her for life;

(ii) if there are more than one such children suffering from disorder or disability of mind or who are physically crippled or disabled, the family pension shall be paid in the order of their birth and the younger of them will get the family pension only after the elder next above him or her ceases to be eligible; Provided that where the family pension is payable to such twin children it shall be paid in the manner set out in clause (f) of sub-regulation (1);

(iii) the family pension shall be paid to such son or daughter through the guardian as if he or she were a minor except in the case of a physically crippled son or daughter who has attained the age of majority;

(iv) before allowing the family pension for life to any such son or daughter, the Competent Authority shall satisfy that the handicap is of such a nature as to prevent him or her from earning his or her livelihood and the same shall be evidenced by a certificate obtained from a medical officer approved by the Bank, setting out, as far as possible, the exact mental or physical condition of the child;

(v) the person receiving the family pension as guardian of such son or daughter or such son or daughter not receiving the family pension through a guardian shall produce every three years a certificate from a medical officer approved by the Bank to the effect that he or she continues to suffer from disorder or disability of mind or continues to be physically crippled or disabled.

Explanation :- The grant of family pension to disabled children beyond the age limit specified in this regulation is subject to the following conditions, namely -

(i) a daughter shall become ineligible for family pension under this sub-regulation from the date she gets married;

(ii) the family pension payable to such son or daughter shall be stopped if he or she starts earning his or her livelihood. In such cases it shall be the duty of the guardian or son or daughter to furnish a certificate to the Bank every month that -

(A) he or she has not started earning his or her livelihood;

(B) in case of daughter that she has not yet married;

(d) If a deceased employee or pensioner leaves behind a widow or widower, the family pension shall become payable to the widow or widower, failing which to the eligible child;

(e) family pension to the children shall be payable in the order of their birth and the younger of them shall not be eligible for family pension unless the elder next above him or her has become ineligible for the grant of family pension; Provided that where the family pension is payable to twin children it shall be paid in the manner set out in clause (f) of the sub-regulation (1);

(f) (1) Where the family pension is payable to twin children it shall be paid to such children in equal shares; Provided that where one such child ceases to be eligible, his or her share shall revert to the other child and where both of them cease to be eligible, the family pension shall be payable to the next eligible single child or twin children, as the case may be.

(2) Where a deceased employee or a pensioner leaves behind more children than one, the eldest eligible child shall be entitled to the family pension for the period mentioned in clauses (b) or (c) of sub-regulation (1), as the case may be, and after the expiry of that period the next child shall become eligible for the grant of family pension.

(3) Where family pension is granted under this regulation to a minor, it shall be payable to the guardian on behalf of the minor.

(4) In case both wife and husband are employees of the Bank and are governed by the provisions of this regulation and one of them dies while in service or after retirement, the family pension in respect of the deceased shall be payable to the surviving husband or wife and in the event of death of the husband or wife, the surviving child or children shall be granted the two family pensions in respect of the deceased parents subject to the limits specified below, namely :-

(a) if the surviving child or children is or are eligible to draw two family pensions at the rates mentioned in sub-clause (1) of clause (a) and sub-clause (i) of clause (b) of sub-regulation (3) of regulation 39 the amount of both pensions shall be limited to two thousand five hundred rupees only per mensem in respect of employees who retired or died while in service prior to the 1st day of November, 1993 and four thousand eight hundred rupees per mensem only in respect of employees who retired or died on or after the 1st day of November, 1993;

(b) if one of the family pensions ceases to be payable at the rates mentioned in sub-clause (i) of clause (a) or sub-clause (i) of clause (b) of sub-regulation (3) of regulation 39 and in lieu thereof the family pension at the rate mentioned in sub-regulation (1) of regulation 39 becomes payable, the amount of both the pensions shall also be limited to two thousand five hundred rupees per mensem in respect of employees who retired or died while in service prior to the 1st day of November; 1993 and four thousand eight hundred rupees per mensem in respect of employees who retired or died on or after the 1st day of November, 1993;

(c) if both the family pensions are payable at the rate mentioned in sub regulation (1) of regulation 39 the amount of the two pensions shall be limited to one thousand two hundred and fifty rupees per mensem in the case of employees who retired or died while in service prior to the 1st day of November, 1993 and two thousand four hundred rupees per mensem in respect of employees who retired or died on or after the 1st day of November, 1993.

(5) (a) Where family pension is payable to more widows than one, the family pension shall be paid to the widows in equal shares;

(b) on the death of a widow, her share of the family pension shall become payable to her eligible child; Provided that if the widow is not survived by any child, her share of the family pension shall not lapse but shall be payable to the other widows in equal shares, or if there is only one such other widow, in full, to her;

(c) where the deceased employee or pensioner is survived by a widow but has left behind eligible child or children from another wife who is not alive, the eligible child or children shall be entitled to the share of family pension which the mother would have received if she had been alive at the time of the death of the employee or pensioner; Provided that on the share or shares of family pension payable to such a child or children or to a widow or widows ceasing to be payable, such share or shares shall not lapse, but shall be payable to the other widow or widows or to other child or children otherwise eligible, in equal shares, or if there is only one widow or child, in full, to such widow or child;

(d) where the family pension is payable to twin children it shall be paid to such children in the manner specified in clause (f) of sub-regulation (1) above;

(e) except as provided in this sub-regulation the family pension shall not be payable to more than one member of the family at the same time.

(6) Where a female employee or male employee dies leaving behind a judicially separated husband or widow and no child or children, the family pension in respect of the deceased shall be payable to the person surviving: Provided that where in a case the judicial separation is granted on the ground of adultery and the death of the employee takes place during the period of such judicial separation, the family pension shall not be payable to the person surviving if such person surviving was held guilty of committing adultery.

(7) (a) where a female employee or male employee dies leaving behind a judicially separated husband or widow with a child or children, the family pension payable in respect of the deceased shall be payable to the surviving person provided he or she is the guardian of such child or children;

(b) where the surviving person has ceased to be the guardian of such child or children, such family pension shall be payable to the person who is the actual guardian of such child or children.

(8) if the son or unmarried daughter eligible for the grant of family pension has attained the age of eighteen years, the family pension may be paid to such son or unmarried daughter directly.

(9) (a) if a person who, in the event of death of an employee while in service, is eligible to receive family pension under these regulations, is charged with the offence of murdering the employee or for abetting in the commission of such an offence, the claim of such a person, including other eligible member or members of the family to receive the family pension, shall remain suspended till the conclusion of the criminal proceedings instituted against him;

(b) if on the conclusion of the criminal proceedings referred to in clause (a), the person concerned –

(i) is convicted for the murder or abetting in the murder of the employee, such a person shall be debarred from receiving the family pension which shall be payable to the other eligible member of the family, from the date of death of the employee;

(ii) is acquitted of the charge of murder or abetting in the murder of the employee, the family pension shall be payable to such a person from the date of death of the bank employee;

(c) the provisions of sub-clauses (a) and (b) shall also apply for the family pension becoming payable on the death of an employee after his retirement.

GRANT OF FAMILY PENSION TO THE FAMILIES OF THE EMPLOYEES/ PENSIONERS WHOSE WHEREABOUTS ARE NOT KNOWN: Please refer to Regulations 39 and 40 of Bank (Employees') Pension Regulations, 1995 detailing the procedure for payment of family pension. We enclose, for your information, a copy of Office Memorandum No. 1 (17) P & PW / 86-E dated 18th February, 1993, containing the guidelines applicable in Central Government for settlement of terminal dues of employees whose whereabouts are not known. Member Banks may adopt the procedure laid down in Office Memorandum dated 18.02.1993 for grant of family pension to the families of the employees whose whereabouts are not known.

Letter No. 1 (17) - P & PW / 86-E dated 18-02-1993 of Govt. of India, Ministry of Personnel, Public Grievances & Pensions (Department of Pension & PW)

Subject : Grant of Family Pension and Gratuity to the families etc. of the Government employees / pensioners who disappeared suddenly and whose whereabouts are not known.

The undersigned is directed to refer to this Department's O.M. No. 1 (17) - P & PW /86 dated 29.08.1986 read with Office Memorandum of the same number dated 25.01.1991 on the subject mentioned above and to say that in accordance with the provisions contained in these Office Memoranda, the families of the employees/pensioners whose whereabouts are not known are paid in the first instance, the amount of salary due, leave encashment and the amount of GPF having regard to the nomination made by the employees and after the lapse of a period of one year other benefits like DCRG and family pension are also paid. The period of one year is reckoned with reference to the date on which FIR is lodged with the police about the disappearance of the concerned employee / pensioner. At present, the family pension is sanctioned and paid to the eligible member of the family

one year after the date of registering the FIR with the police and no family pension is paid for the intervening period of one year from the date of FIR is lodged to the date and family pension can be sanctioned. This practice is causing hardship to the families. It has now been decided that the family pension, which, in pursuance of the earlier orders, will continue to be sanctioned and paid one year after the date of lodging the FIR will accrue from the date of lodging the FIR or expiry of leave of the employee who has disappeared, whichever is later when the sanction for family pension is issued, the payment of pension from the date of accrual may be authorised. The usual procedure of obtaining the indemnity bond etc., as laid down in the O.M. dated 29.08.1996 will continue to be followed. While sanctioning payment of family pension, it will be ensured by the concerned authorities that family pension is not authorised for any period during which payment of pay & allowances in respect of the disappeared employee has been made.

2. In their application to the persons serving in the Indian Audit and Accounts Department, these orders are issued after consultation with the Comptroller & Auditor General of India.

3. Ministry of Finance, Department of Expenditure etc., are requested to bring it to the notice of all concerned.

(IBA LETTER NO. PD/CIR/76/G(II)/1739 DATED 05-12-2005)

COMMUTATION

41. Commutation:-

(1) An employee shall be entitled to commute for a lump sum payment of a fraction not exceeding one-third of his pension: Provided that in respect of an employee who is governed by sub-regulation (5) of regulation 3 of these regulations, the family of such employee shall also be entitled to commute for a lump sum payment a fraction not exceeding one-third of the pension admissible to the employee.

(2) An employee shall indicate the fraction of pension which he desires to commute and may either indicate the maximum limit of one-third pension or such lower limit as he may desire to commute.

(3) If fraction of pension to be commuted results in fraction of rupee, such fraction of a rupee shall be ignored for the purpose of commutation.

(4) The lump sum payable to an applicant shall be calculated in accordance with the Table given below:-

COMMUTATION TABLE

Commutation Value for a pension of Rs. one per annum expressed as number of years purchase:

Age Next Birthday	Commutation Value	Age Next Birthday	Commutation Value
17	19.28	51	12.95
18	19.20	52	12.66
19	19.11	53	12.35
20	19.01	54	12.05
21	18.91	55	11.73
22	18.81	56	11.42
23	18.70	57	11.10
24	18.59	58	10.78
25	18.47	59	10.46
26	18.34	60	10.13
27	18.21	61	09.81
28	18.07	62	09.48
29	17.93	63	09.15
30	17.78	64	08.82
31	17.62	65	08.50
32	17.46	66	08.17
33	17.29	67	07.85
34	17.11	68	07.53

35	16.92	69	07.22
36	16.72	70	06.91
37	16.52	71	06.60
38	16.31	72	06.30
39	16.09	73	06.01
40	15.87	74	05.72
41	15.64	75	05.44
42	15.40	76	05.17
43	15.15	77	04.90
44	14.90	78	04.65
45	14.64	79	04.40
46	14.37	80	04.17
47	14.10	81	03.94
48	13.82	82	03.72
49	13.54	83	03.52
50	13.25	84	03.32
85	03.13		

Note:

(1) The Table above indicates the commuted value of pension expressed as number of year's purchase with reference to the age of the pensioner as on his next birthday. The commuted value in the case of an employee retiring at the age of fifty eight years is 10.46 years' purchase and, therefore, if he commutes rupees one hundred from his pension within one year of retirement, the lump sum amount payable to him works out to Rs. $100 \times 10.46 \times 12 =$ Rs. 12,552.

(2) An employee who had commuted the admissible portion of pension is entitled to have the commuted portion of the pension restored after the expiry of a period of fifteen years from the date of commutation.

(3) An applicant who is authorised a superannuation pension, voluntary retirement pension, premature retirement pension, compulsory retirement pension, invalid pension or compassionate

allowance shall be eligible to commute a fraction of his pension under these regulations.

(4) In the case of a pensioner eligible for superannuation pension or pension on voluntary retirement or premature retirement pension, no medical examination shall be necessary, if the application for commutation is made within one year from the date of retirement. However, if such a pensioner applies for commutation of pension after one year from the date of his retirement, the same will be permitted subject to medical examination.

Explanation :- An applicant who -

(i) retires on invalid pension under regulation 30 of these regulations, or

(ii) is in receipt of compassionate allowance under regulation 31 of these regulations; or

(iii) is compulsorily retired by the Bank and is eligible for compulsory retirement pension under regulation 33.

shall be eligible to commute a fraction of his pension subject to the limit specified in sub-regulation (1) after he has been declared fit by a medical officer approved by the Bank.

(5) The commutation of pension shall become absolute in the case of an employee -

(a) retiring on superannuation or voluntary retirement who submits an application for commutation of pension before the date of retirement, on the date following the date of retirement; Provided that the employee governed by sub-regulation (3) of regulation 29 shall not apply for commutation of a part of his pension before the expiry of the notice of three months and the commutation of pension shall become absolute only on the expiry of the period of notice referred to in sub-regulation (1) of regulation 29;

(b) retiring on superannuation or on voluntary retirement or on premature retirement, if he applies for commutation of pension after the date of retirement but before the completion of one year from the date of retirement, on the date the application for commutation is received by the Competent Authority;

(c) retiring on superannuation or on voluntary retirement or on premature retirement, if he applies for commutation of pension after one year from the date of retirement, on the date of the medical certificate given by a medical officer approved by the Bank;

(d) who has retired prior to the 1st day of November, 1993 and who opts to be governed by these regulations, on the 1st day of November, 1993, where the application for commutation is made within the period specified by the clause (b) of the sub-regulation (1) of regulation 3;

(e) who was in the service of the Bank on or after the 1st day of November, 1993 but who retired prior to the publication of these regulations on the day immediately following the date of his retirement, where the application is made within the period specified by clause (b) of sub-regulation (2) of regulation 3;

(f) who retired on or after the 1st day of November, 1993 but died prior to the notified date, on the day immediately following the date of his retirement, where the application for commutation is made by the family of the deceased within the period specified by clause (a) of sub-regulation (5) of regulation 3;

(g) in respect of whom invalid pension under regulation 30 or compulsory retirement under regulation 33 is admissible, commutation shall become absolute on the date of the medical certificate given by a medical officer approved by the Bank.

GENERAL CONDITIONS

42. Pension subject to future good conduct:-

Future good conduct shall be an implied condition of every grant of pension and its continuance under these regulations.

43. Withholding or withdrawal of pension:-

The Competent Authority may, by order in writing, withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, if the pensioner is convicted of a serious crime or criminal breach of trust or forgery or acting fraudulently or is found guilty of grave misconduct: Provident that where a part of pension is withheld or withdrawn, the amount of such pension shall not be reduced below the minimum pension per mensem payable under these regulations.

44. Conviction by court:-

Where a pensioner is convicted of a serious crime by a Court of Law, action shall be taken in the light of the judgement of the court relating to such conviction.

45. Pensioner guilty of grave misconduct:-

In a case not falling under regulation 44 if the Competent Authority considers that the pensioner is prima facie guilty of grave misconduct, it shall, before passing an order, follow the procedure specified in Officer Employees' (Discipline and Appeal) Regulations, 1976 or in Settlement as the case may be.

46. Provisional Pension:-

(1) An employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental

proceedings are continued, a provisional pension, equal to the maximum pension which would have been admissible to him, would be allowed subject to adjustment against final retirement benefits sanctioned to him, upon conclusion of the proceedings but no recovery shall be made where the pension finally sanctioned is less than the provisional pension or the pension is reduced or withheld etc., either permanently or for a specified period.

RELEASE OF PROVISIONAL PENSION : In terms of sub-regulation (1) of Regulation 46 of the Bank (Employees') Pension Regulations, 1995 provisional pension is allowed to an employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are continued. We have been receiving queries from banks seeking clarifications as to what would constitute initiation/institution of department/judicial proceedings and what shall be the relevant date/s for the purpose of sub-regulation (1) of Regulation 46. We are to clarify that departmental proceedings shall be deemed to be instituted on the date a notice is issued to the employee to show-cause why disciplinary proceedings shall not be instituted against him or on the date on which statement of charges is issued to the employee/pensioner or if the employee has been placed under suspension from an earlier date, on such date. Judicial proceedings shall be deemed to be instituted in the case of criminal proceedings, on the date on which the complaint or report of a Police Officer, of which the Magistrate takes cognizance, is made, and in the case of civil proceedings, on the date the plaint is presented in the Court.

(IBA Circular No. PD/CIR/76/G2/1136 Dt. 12-10-1999)

(2) In such cases the gratuity shall not be paid to such an employee until the conclusion of the proceedings against him. The gratuity shall be paid to him on conclusion of the proceedings subject to the decision of the proceedings. Any recoveries to be made from an employee shall be adjusted against the amount of gratuity payable.

Explanation :- In this chapter

(a) the expression 'serious crime' includes a crime involving an offence under the Official Secrets Act, 1923 (19 of 1923);

(b) the expression "grave misconduct" includes the communication or disclosure of any secret official code or password or any sketch, plan, model, article, note, document or information, such as is mentioned in section 5 of the Official Secrets Act, 1923 (19 of 1923) which was obtained while holding office in the Bank so as to prejudicially affect the interests of the general public or the security of the State.

(c) the expression fraudulently' shall have the meaning assigned to it under section 25 of the Indian Penal Code, 1860 (45 of 1860);

(d) the expression 'criminal breach of trust' shall have the meaning assigned to it under section 405 of the Indian Penal Code, 1860 (45 of 1860);

(e) the expression 'forgery' shall have the meaning assigned to it under section 463 of the Indian Penal Code, 1860 (45 of 1860);

47. Commutation of pension during departmental or judicial proceedings:-

An employee against whom departmental or judicial proceedings have been instituted before the date of his retirement or a person against whom such proceedings are instituted after the date of his retirement shall not be eligible to commute a fraction of his provisional pension, or pension, as the case may be, authorised under these regulations during the pendency of such proceedings.

48. Recovery of Pecuniary loss caused to the Bank:-

(1) The Competent Authority may withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, and

order recovery from pension of the whole or part of any pecuniary loss caused to the bank if in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence or criminal breach of trust or forgery or acts done fraudulently during the period of his service; Provided that the Board shall be consulted before any final orders are passed; Provided further that departmental proceedings, if instituted while the employee was in service, shall, after the retirement of the employee, be deemed to be proceedings under these regulations and shall be continued and concluded by the authority by which they were commenced in the same manner as if the employee has continued in service; Provided also that no departmental or judicial proceedings, if not initiated while the employee was in service, shall be instituted in respect of a cause of action which arose or in respect of an event which took place more than four years before such institution.

(2) Where the Competent Authority orders recovery of pecuniary loss from the pension, the recovery shall not ordinarily be made at a rate exceeding one-third of the pension admissible on the date of retirement of the employee; Provided that where a part of pension is withheld or withdrawn, the amount of pension drawn by a pensioner shall not be less than the minimum pension payable under these regulations.

49. Recovery of Bank's dues:-

The Bank shall be entitled to recover the dues to the Bank on account of housing loans, advances, license fees, other recoveries and recoveries due to staff co-operative credit society from the commutation value of the pension or the pension or the family pension.

50. Commercial employment after retirement:-

(1) If a pensioner who immediately before his retirement was holding the post of an officer and wishes to accept any commercial employment before the expiry of two years from the date of his

retirement, he shall obtain the previous sanction of the Bank to such acceptance;

(2) Subject to the provision of sub-regulation (3), the Bank may, by order in writing, on the application by a pensioner, grant, subject to such conditions, if any, as it may deem necessary, permission, or refuse, for reasons to be recorded in the order, permission to such pensioner to take up the commercial employment specified in the application.

(3) In granting or refusing permission under sub-regulation (2) to a pensioner for taking up any commercial employment, the Bank shall have regard to the following factors, namely :-

(a) the nature of the employment proposed to be taken up and the antecedents of the employer;

(b) whether his duties in the employment which he proposes to take up might be such as to bring him into conflict with the Bank; (c) whether the pensioner while in service had any such dealing with the employer under whom he proposes to seek employment as it might afford a reasonable basis for the suspicion that such pensioner had shown favours to such employer;

(d) whether the duties of the commercial employment proposed involve liaison or contact work with Bank;

(e) whether his commercial duties will be such that his previous official position or knowledge or experience under Bank could be used to give the proposed employer an unfair advantage;

(f) the emoluments offered by the proposed employer; and

(g) any other relevant factor.

(4) here within a period of sixty days of the date of receipt of an application under sub-regulation (3), the Bank does not refuse to

grant the permission applied for or does not communicate the refusal to the applicant, the Bank shall be deemed to have granted the permission applied for; Provided that in any case where defective or insufficient information is furnished by the applicant and it becomes necessary for the bank to seek further clarifications or information from him, the period of sixty days shall be counted from the date on which the defects have been removed or complete information has been furnished by the applicant.

(5) here the Bank grants the permission applied for subject to any conditions or refuses such permission, the applicant may, within thirty days of the receipt of the order of the Bank to that effect, make a representation against any such condition or refusal and the Bank may make such orders thereon as it deems fit; Provided that no order other than an order canceling such condition or granting such permission without any conditions shall be made under this sub-regulation without giving the pensioner making the representation an opportunity to show cause against the order proposed to be made.

(6) if any pensioner takes up any commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of the Bank or commits a breach of any condition subject to such permission to take up any commercial employment has been granted to him under this regulation, it shall be competent for the Bank to declare by order in writing and for reasons to be recorded therein that he shall not be entitled to the whole or such part of the pension and for such periods as may be specified in the order; Provided that no such order shall be made without giving the pensioner concerned an opportunity of show cause against such declaration; Provided further that in making any order under this sub-regulation, the Bank shall have regard to the following factors, namely:-

(i) the financial circumstances of the pensioner concerned;

(ii) the nature of, and the emoluments from, the commercial employment taken up by the pensioner concerned; and

(iii) any other relevant factor.

(7) every order passed by the Bank under this regulation shall be communicated to the pensioner concerned.

(8) In this regulation, the expression "commercial employment" means

(i) an employment in any capacity including that of an agent, under a company (including a banking company), co-operative society, firm or individual engaged in trading, commercial, industrial, financial or professional business and includes also a directorship of such company (including a banking company) and partnership of such firm, but does not include employment under a body corporate, wholly or substantially owned or controlled by the Central Government or a State Government.

(ii) setting up practice, either independently or as a partner of a firm, as adviser or consultant in matters in respect of which the pensioner -

(A) has no professional qualifications and the matters in respect of which the practice is to be set up or is carried on are relatable to his official knowledge or experience, or

(B) has professional qualifications but the matters in respect of which such practice is to be set up are such as are likely to give his clients an unfair advantage by reason of his previous official position, or

(C) has to undertake work involving liaison or contact with the offices or officers of the Bank.

Explanation:-

For the purpose of this clause, the expression "employment under a co-operative society" includes the holding of any office, whether elective or otherwise, such as that of President, Chairman, Manager,

Secretary, Treasurer and the like, by whatever name called in such society.

51. Nomination:-

(1) The trust shall allow every employee governed by these regulations to make a nomination conferring on one or more persons the right to receive the amount of pensionary benefits under these regulations in the event of his death before that amount becomes payable or, having become payable, has not been paid. Such nomination shall be made in such form as may be specified by the Bank from time to time.

(2) If any employee nominates more than one person under sub-regulation

(1) he shall, in his nomination, specify the amount or share payable to each of the nominees in such a manner as to cover the whole of the amount of the pensionary benefits that may be payable in the event of his death.

(3) A nomination made by an employee may, at any time, be modified or revoked by him after giving a written notice to the trust of his intention of doing so in such form as the Bank may from time to time specify.

(4) A nomination or its revocation or its modification shall take effect to the extent it is valid on the date on which it is received by the trust.

52. Date from which pension becomes payable:-

(1) Except in the case of an employee to whom the provisions of regulation 43 and regulation 46 apply a pension other than family pension shall become payable from the date following the date on which an employee retires.

(2) Family pension shall become payable from the date following the date of death of the employee or the pensioner.

(3) Pension including family pension shall be payable for the day on which its recipient dies.

In terms of Regulation 52 of The Bank (Employees') Pension Regulations, 1995, except in the case of an employee to whom the provisions of Regulation 43 and Regulation 46 apply, a pension other than family pension shall become payable from the date following the date on which an employee retires. In view of this the Authority responsible for the preparation of pension papers may undertake the work of preparing the pension papers including verification of service details, getting the required clearance from the disciplinary action cell/vigilance department, etc. at least six months in advance of the date on which the employee is due to attain the age of superannuation so that the retired employee gets his pension immediately after completion of one month of retirement. In other cases of retirement like voluntary retirement, retirement on invalid grounds, premature retirement and compulsory retirement, the above process may be got completed within a period of 3 months from retirement of the employees. If, for any special reasons, it has not been found possible for the Pension Cell at the Administrative Office to complete the formalities as mentioned hereinabove within the prescribed time schedule in a particular case, steps may be taken by the Competent Authority authorised to sanction pension in the case, to authorise payment of provisional pension by the first of the month in which it is due. For this purpose such information as is readily available in the official records may be used. The retiring employee may be asked to submit a simple statement giving his total length of service (from the date of joining duty to the date of retirement excluding the periods of breaks and non-qualifying service, if any) and also the emoluments drawn during the last ten months of service and certify that the facts stated by him are correct to the best of his knowledge and belief. The Authority may sanction 100% of the pension calculated with reference to the information so obtained, as provisional pension. The provisional pension so

authorised would be subject to adjustments being made after issue of final payment authority by the Authority responsible for doing so. The provisional pension is not intended to be continued beyond a period of six months from the date of retirement and as such the Pension Cells may ensure that pension payable to the retiree is finalised before this deadline. The provisions as contained above are intended to take care of cases of very special nature only and should not be made as a rule to be followed in all cases of retirement of employees. The Competent Authority may, therefore, before sanctioning provisional pension as above ensure that circumstances exist for a possible delay in the sanction of final pension to the retiree within the prescribed time schedule.

(Annexure to Circular No. PD/CIR/76/G2/1655 dated January 15, 2000.)

53. Currency in which pension is payable:-

All pensions admissible under these regulations shall be payable in rupees in India only.

PAYMENT OF PENSION TO RETIREES SETTLED OUTSIDE INDIA:
In terms of Regulation 53 of Bank (Employees') Pension Regulations, 1995, all pension admissible under the regulations shall be payable in rupees in India only. Some member banks had requested us to inform the procedure to be followed where the retired employees settled outside India and desire to draw pension at the place where they have settled. In terms of Central Treasury Rules applicable to Central Government pensioners also there is no provision for payment of pension outside India. However, the said rules provide for drawing pension in such cases in India. We had recommended to the Government to permit Public Sector Banks to adopt the said procedure in such cases. The Government has since conveyed its approval to the proposal of the IBA. Procedure laid down in Central Treasury Rules, Volume I (Rules 345 and 347) on the subject matter reads as under:-

“A pensioner not resident in India may, draw his pension in India through a duly authorised agent possessing a legally valid power of attorney, who must produce a life certificate on each occasion unless the duly authorised agent has executed an indemnity bond to refund over-payments in which case he has to produce the life certificate at least once a year. However, Pension will not be paid to such authorised agents for a period of more than a year after the date of the life certificate last received, and the disbursing officer shall be on the watch for authentic information of the death of any such pensioner and on receipt thereof, shall promptly stop further payments.”

Public Sector Banks may be guided accordingly while dealing with requests from pensioners settled outside India for payment of pension.

(IBA Circular No. PD/CIR/76/G(ii)/928 September 5, 1996)

54. Manner of payment of pension:-

A pension fixed at a monthly rate shall be payable monthly on or after the first day of the following month.

55. Power to issue instructions:-

The Chairman and Managing Director of the Bank may from time to time issue instruction as may be considered necessary or expedient for the implementation of these regulations.

56. Residuary provisions:-

In case of doubt, in the matter of application of these regulations, regard may be had to the corresponding provisions of Central Civil Services Rules, 1972, or Central Civil Services (Commutation of Pension) rules, 1981 applicable for Central Government employees with such exceptions and modifications as the Bank, with the previous sanction of the Central Government, may from time to time determine.

APPENDIX – II (See Regulation 37)

Dearness relief on basic pension shall be as under :-

(1) In the case of employees who retired on or after the 1st day of January, 1986, but before the 1st day of November, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 600 points in the quarterly average of the All India Average consumer Price Index for Industrial Workers in the series 1960 = 100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below:-

Scale of basic pension PM	The rate of dearness relief as a percentage of basic pension
(i) Up to Rs. 1250	0.67 per cent
(ii) Rs. 1251 to Rs. 2000	0.67 per cent of Rs. 1250 plus 0.55 per cent of basic pension in excess of Rs. 1250.
(iii) Rs. 2001 to Rs. 2130	0.67 per cent of Rs. 1250 plus 0.55 per cent of the difference between Rs. 2000 and Rs. 1250 plus 0.33 per cent of basic pension in excess of Rs. 2000.
(iv) above Rs. 2130	0.67 per cent of Rs. 1250 plus 0.55 per cent of the difference between Rs. 2000 and Rs.1250 plus 0.33 per cent of the difference between Rs. 2130 and Rs. 2000 plus 0.17 per cent of basic pension in excess of Rs. 2130.

(2) In the case of employees who retire on or after the 1st day of November, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over

1148 points in the quarterly average of the All India Average Consumer Price Index of Industrial Workers in the series 1960 = 100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below:-

Scale of basic pension PM	The rate of dearness relief as a percentage of basic pension
(i) Up to Rs. 2400	0.35 per cent.
(ii) Rs. 2401 to Rs. 3850	0.35 per cent of Rs. 2400 plus 0.29 per cent of basic pension in excess of Rs. 2400.
(iii) Rs. 3851 to Rs. 4100	0.35 per cent of Rs. 2400 plus 0.29 per cent of the difference between Rs. 3850 and Rs. 2400 plus 0.17 per cent of basic pension in excess of Rs. 3850.
(iv) above Rs. 4100	0.35 per cent of Rs. 2400 plus 0.29 per cent of the difference between Rs. 3850 and Rs. 2400 plus 0.17 per cent of the difference between Rs. 4100 and Rs. 3850 plus 0.09 per cent of basic pension in excess of Rs. 4100.

(3) Dearness relief shall be payable for the half year commencing from the 1st day of February and ending with 31st day of July on the quarterly average of the index figures published for the months of October, November and December of the previous year and for the half year commencing from the 1st day of August and ending with 31st day of January on the quarterly average of the index figures published for the months of April, May and June of the Same year.

(4) In the case of family pension, invalid pension and compassionate allowance, dearness relief shall be payable in accordance with the rates mentioned above.

(5) Dearness relief will be allowed on full basic pension even after commutation.

(6) Dearness relief is not payable on additional pension.

APPENDIX – III (See Regulation 39)

The ordinary rates of Family Pension shall be as under:

(a) In respect of employees other than part-time employees retired before 01-11-1993

Scale of Basic PM	The rate of Family Pension as a percentage of basic pension
Up to Rs. 1500	30 per cent of the 'Pay' shall be the basic family pension plus 30 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of Basic and additional family pension shall not be less than Rs. 375 per month.
Rs. 1501 to Rs. 3000	20 per cent of the 'Pay' shall be the basic family pension plus 20 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension shall not be less than Rs. 450 per month.
Above Rs. 3000	15 per cent of the 'Pay' shall be the basic family pension plus 15 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs. 600 per month and

more than Rs. 1250 per month.

(b) In respect of employees other than part-time employees retired or retiring on or after 01-11-1993

Scale of basic PM	The rate of Family Pension as a percentage of basic pension
Up to Rs. 2870	30 per cent of the 'Pay' shall be the basic family pension plus 30 per cent of the allowances which are counted for taking contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 720 per month.
Rs. 2871 to Rs. 5740	20 per cent of the 'Pay' shall be the basic family pension plus 20 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 860 per month.
Above Rs. 5740	15 per cent of the 'Pay' shall be the basic family pension plus 15 percent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs. 1150 per month and a maximum of Rs. 2400 per month.

Notes:-

(1) Dearness relief is not payable on additional family pension.

(2) Scale of pay for the purpose of calculation of family pension as above shall be the aggregate of "Pay" as defined in sub-clause (r)

of regulation 2 and "allowances" as defined in the explanation to sub-regulation (3) of regulation 33.

(3) In the case of a part-time employee, the minimum amount of family pension and maximum amount of family pension shall be in proportion to the rate of scale wages drawn by the employee.

APPENDIX – IV (See Regulation 27)

Actual service on scale wages Length of corresponding qualifying rendered on permanent part-time service for each year of service basis in one week. rendered on permanent part-time basis for calculating the amount of pension.

Six hours or more but up to 13 hours;

one third of a year

More than 13 hours but up to 19 hours;

one half of a year

More than 19 hours but up to 29 hours;

three fourth of a year

More than 29 hours;

one year

GRANT OF EX-GRATIA TO SURVIVING PRE 01-01-1986 RETIREES

AMOUNT OF EX-GRATIA: A proposal for providing ex-gratia relief to surviving pre- 01-01-1986 retirees of the banks had been under consideration of the Government for some time. It has now been decided that banks may provide ex-gratia relief to all such employees who retired on or before 31-12-1985, provided they had rendered at least twenty years of continuous service prior to their superannuation and are not getting any pensionary benefits from the bank. The ex-gratia may be paid w.e.f. 01-11-1997 at the rate of Rs. 300/- per month with dearness relief. The dearness relief on ex-gratia amount shall become payable at the rate of 0.67% for every rise of four points over 600 points in the quarterly average of All India Working Class

Consumer Price Index (Base 1960 = 100). Dearness relief will be adjusted twice in a year, i.e. in the months of February and August.

(GOI, Ministry of Finance, (Banking Division) F.No. 11/3/92-IR Dt. 26-11-1998)

DEARNESS RELIEF ON EX-GRATIA ; Please refer to the Government of India, Ministry of Finance (Banking Division) letter F.No. 11/3/92-IR dated 26th November, 1998 addressed to Public Sector Banks (other than State Bank of India) on the captioned subject. In this connection, the Government of India, Ministry of Finance (Banking Division) has since advised as under:

(1) The dearness relief on ex-gratia amount shall become payable for every rise or fall of four points over 600 points in the quarterly average of the Consumer Price Index.

(2) Employees who retired prematurely as per the provisions contained in the Officers' Service Regulations/Bipartite Settlement as well as the employees who retired before nationalisation are eligible for ex-gratia payment.

(3) Employees who were compulsorily retired or had taken voluntary retirement before 01-01-1986 as also employees of erstwhile private sector banks who retired prior to amalgamation with nationalised banks are not eligible for ex-gratia payment.

(IBA Circular No. PD/CIR/76/G(ii)/257 Dt. 17-05-1999)

In terms of the Government of India, Ministry of Finance (Banking Division) letter F.No. 11/3/92-IR dated 26th November, 1998 on the captioned subject, employees who retired on or before 31-12-1985 and had rendered at least twenty years of continuous service prior to their superannuation and were not getting any pensionary benefits from the Bank were only eligible for ex-gratia relief. We had taken up the matter with the Government of India, Ministry of Finance (Banking Division) who have since advised that the service rendered by an employee in the merged bank may be reckoned for computation of

minimum continuous service of twenty years for the purpose of ex-gratia provided retirement had taken place after merger.

(IBA Circular No. PD/CIR/76/G2/67 Dt. 17-04-2000)

PENSION UNDER 8th BIPARTITE SETTLEMENT

Issues relating to costing of pension for the purpose of wage revision in case of serving employees and redefining pay for the purpose of pension at 50% of the Pay last drawn, were discussed in detail and understandings reached as herein below:

1. **PAY FOR PENSION:** In respect of an employee retiring on or after 01.05.2005, "average emoluments" as defined in Pension Regulations for the purpose of pension, be calculated reckoning pay last drawn during the last ten months of the employees' service in the Bank. Since this is an improvement over the existing provisions, in view of the legal decisions obtaining in the matter, the pension of retirees of the period 01.04.1998 to 30.04.2005 is to be re-fixed with effect from 01.05.2005 reckoning actual 'Pay' drawn by them prior to retirement, i.e. during the last ten months of service in the Bank. Accordingly, the pension of retirees of the period 01.04.1998 to 31.10.2002 will be re-fixed with effect from 01.05.2005 as per 'pay' as defined in Clause 6 of 7th Bipartite Settlement dated 27th March 2000 and Note under Clause 5 of the Joint Note dated 14th December 1999 (Refer Annexure). The pension of retirees of the period 01.11.2002 to 30.04.2005 will be re-fixed with effect from 01.05.2005 as per 'pay' as defined in Clause 6 of 8th Bipartite Settlement dated 2nd June, 2005 and Note (2) under Clause 6 of the Joint Note dated 2nd June, 2005 (Refer Annexure). These retirees between 01.04.1998 and 30.04.2005 will have their pension re-fixed accordingly w.e.f. 01.05.2005 but no arrears of pension and commuted value of pension is payable on account of such re-fixing of pension. The total cost to banks on account of such re-fixation in respect of retirees of the period 01.11.2002 to 30.04.2005 will be costed and taken together with the additional cost of pension in respect of serving employees who are members of the Pension Fund. In respect of retirees of the period 01.04.1998 to 31.10.2002, the additional cost on account of re-fixation

shall be shared equally between the banks and the employees (officers and workmen), reckoning the annual additional cost which has been determined at Rs. 62 crores.

2. COSTING OF PENSION: In the last wage revision settlement, the additional cost of pension to banks was reckoned at 16.5% of the pension able pay of each member of the Fund and for the purpose of wage revision, the additional cost to banks on account of increase in pay was shared equally between banks and employees at 8.25% of pension able pay. During the period since then, influenced by market factors, the cost of pension to banks had gone up and IBA had placed the additional cost of pension to banks at 20.5% of the pension able pay. Following the procedure adopted in the last wage revision, this would have meant sharing the total cost at 10.25% each by both the parties. While the Unions/Associations were not agreeable for any increase in the additional costing more than 8.25%, however, after detailed discussions, it was agreed to reckon the total cost over and above 16.5% to be borne by the employees (Officers and Workmen) at Rs. 36 crores p.a. This would translate to the employees sharing the incremental additional cost at 9.25% of pension able pay and the banks bearing the cost of the remaining 11.25%.

(Record note was signed on 22nd June, 2005)