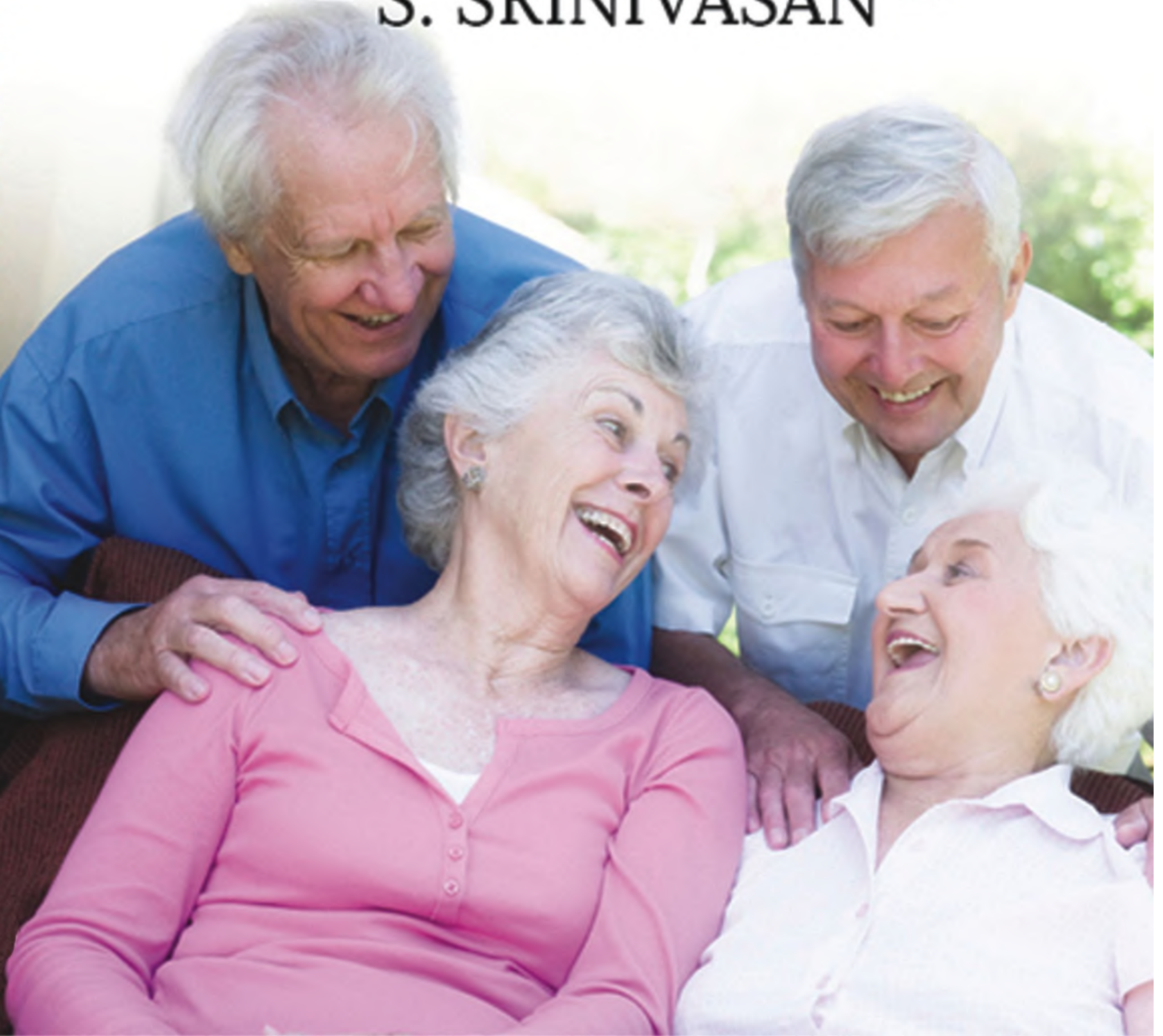
Chinu's Notes On

KNOW YOUR RETIREMENT RIGHTS

– S. SRINIVASAN –



KNOW YOUR RETIREMENT RIGHTS

S. SRINIVASAN

Retire, now it is time to

Experience all the life has to offer

Take time to smell the roses

Investigate your hobbies

Revitalize your dreams, and

Embark on a new way of life

"A hundred times every day I remind myself that my inner and outer life depend on the labours of other men, living and dead, and that I must exert myself in order to give in the same measure as I have received and am still receiving."

– Albert Einstein, the World As I See It

Know Your Retirement Rights

Compiled By Com. S. SRINIVASAN Our Chief Advisor

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VOLUME 2 TO BE READ WITH KNOW YOUR RIGHTS

Happy retirement

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„Educate Agitate Organize

– Dr. B. R.Ambedkar

ALL INDIA INDIAN OVERSEAS BANK SC/ST EMPLOYEES' WELFARE ASSOCIATION

Connecting iobians

(Affiliated to All India Confederation of SC/ST Organizations – New Delhi)

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Dedication

Dedicated to all pension warriors who struggled ,fought and died in our war cry of pension updation from unyielding hands over unending two and half decades . Life is battlefield with many tactics and obstacles defend and fight to achieve your passion. Don't ever turn back because it sets you back and always focus on moving forward. So if you want achieve something in life you may have to die to live again(deep meaning). Once you achieve your ultimate goal, no matter what are the ways you took to do, it's worth it. If you desire to die for the fulfilment of your desire then it's worth dying. Coming to other scenario, where the person wants to survive in battle. He has to have strong willpower and strength to defeat the enemy in all the circumstances so as to achieve victory. It does not matter if he hates violence, he should kill to protect his family and to live happiness!

Message

Dear Srinivasan,

At the outset I wish to heartily Congratulate and appreciate the special efforts put in by You on the launching of "Know Your retirement Rights " a volume illustrating the Entire gamut pensionary matters in terms bank pension regulations1995 which one is supposed to know..

Seeing You from close quarters as General Secretary of All India Overseas Bank Employees Union during the time when I had the privilege of working as the General Secretary of IOB Officers Association and also serving as a Fellow Director on the Board of IOB along with You, it was a Great Pleasure to watch You articulating views of your Organisation in regard to the policies of the Bank and the interest of your Comrades.

The Book which you are now bringing out shows Your Indomitable spirit and Passion to serve the Cause of your Comrades both Serving and Retired. Your rich knowledge and experience that You are again to reflecting through this Volume will go a long way in inspiring the New Generation Bank men further reviving, enlivening and strengthening the Trade Union Spirit in them.

The Book " Know You Retirement r Rights " will Enlighten the Readers. It will also serve as a Great Tribute to Your All-encompassing Knowledge almost on every subject which is flowing through your various Books already published, Articles in Journals, and volley of Mails. .I have no qualms of compunction in recommending this handbook dealing with the cases of pensionary matters which will be useful for Banks Human Resource Department Personnel's.

Mr.Srinivasan deserves full praise for this timely publication and I commend the book to one and all the banks.

If you light a lamp for someone else, it will also brighten your path. We don't talk about trees getting older; we say they are growing. Likewise, we are not getting older, we are also just growing. Such is intrinsic quality and certitude of this genius author who is now 69 years young

I also take this opportunity to inform the readers of this resourceful book that Our organisation ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION (A.I.B.P.A.R.C.) is straining every sinew and nerves and that Our efforts will continue to raise the issues at various forums and to escalate the demands with regard to pension updations and 100% DA neutralisation for pre-2002 bank retirees for arriving at solutions and try in all possible manners to serve the cause of Retirees after clinching our demand on family pension without ceiling.

Well done Com. Srinivasan!

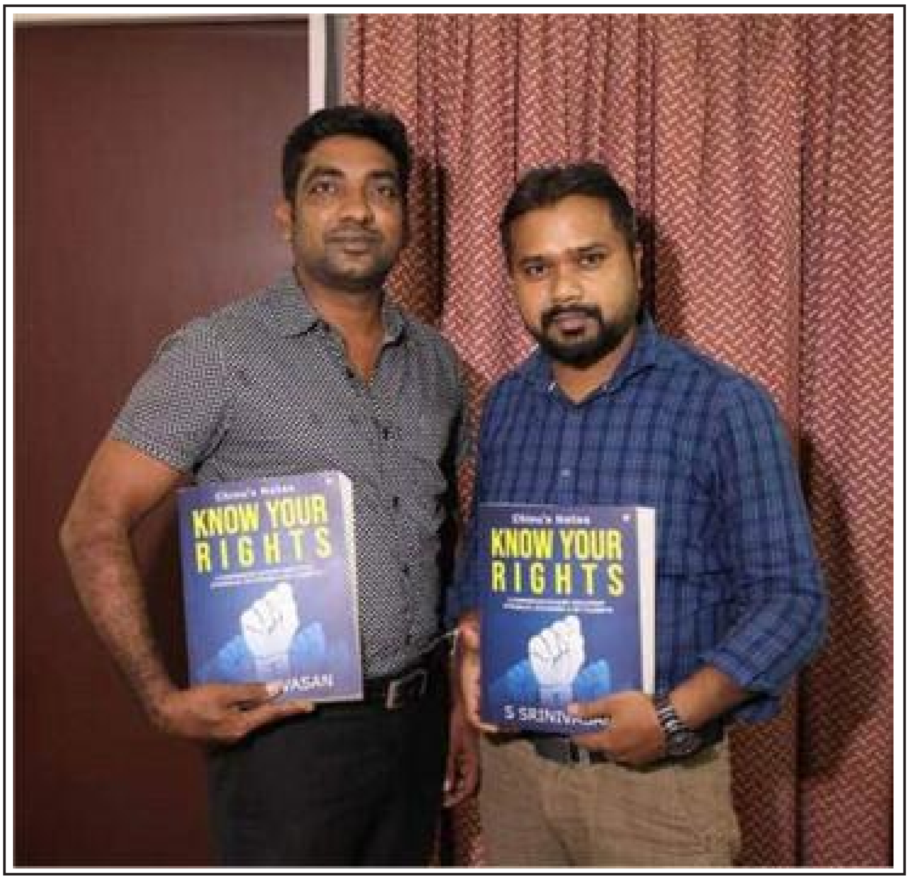
I am sure your deeds, actions and publications will get engraved into history books, When will analysed by posterity, posterity will be proud of your contributions to the trade union movement. May your tribe increase.

Good Luck to You. God Bless You.

With Comradely Greetings,

K V Acharya,
Former General Secretary IOBOA,
President AIBPARC.
J - 208,Vijay Rattan Vihar Sector 15-Part 2 Gurgaon

FOREWORD



Provident Fund, Pension and Gratuity are the three major retirement benefits available to any officer in the Bank. However, often it is noticed that the officers find it difficult to calculate the retirement benefits themselves and seek the assistance of Central Office. With more than fifty per cent employees / officers scheduled to retire within next five years, there is a need to enable them to provide guidance in this regard.

Regarding Provident Fund there is no need for any clarification, as the officer gets annual statement of account from the Bank every year. However, Pension and Gratuity calculation requires a little more understanding of different provisions of the scheme / provisions under different laws. In this booklet, an effort is made to enable the officer to understand the concept and the steps in calculating his terminal benefits under Pension Scheme /Gratuity. Ever since Com S.Srinivasan our Chief Advisor activated vibrancy in our association we have carved out a niche among IOBIANS. Com .S.Srinvasan has taken pains to simplify the whole process by providing the relevant provisions under the Scheme supported by innumerable examples, clarifications and authentic interpretations Culling out relevant pages of his self-publication the most popular among IOB employees and management KNOW YOUR RIGHTS . Com .S.Srinivasan has taken pains at our request to simplify the whole process by providing the relevant provisions under the Scheme supported by innumerable examples, clarifications and authentic interpretations culling out relevant pages from the rough manuscripts of his self-publication the most popular among IOB employees and management KNOW YOUR RIGHTS and has brought this booklet in just one day so that I reaches you today.

We request the branch managers to take print out and hand over to retirees of the branch as a priceless parting gift/memento. In reciprocation we will be highly obliged if the retirees of the branch pool together some funds and present the book KNOW YOU RIGHTS to the branch unit for ready reference reckoner of our service conditions.

The employees /officers who have joined the industry on or after 1st April 2010 are covered under New Pension Scheme (NPS). Hence, a chapter on NPS is also provided to enable them to understand the scheme.

We welcome the feedback from the employees/officers so as to enable us to improve upon this first edition

Ever Yours

P.Sasi Kumar — General Secretary

Sudansu Sekar Sethi — President

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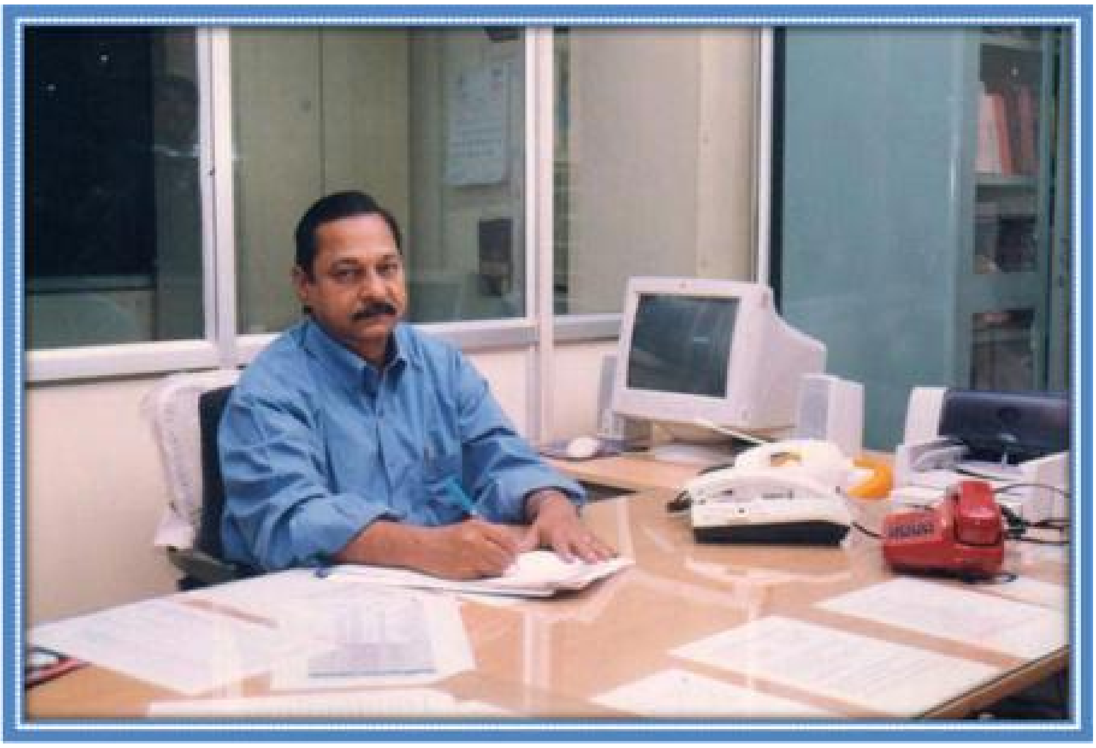
PREFACE



When persons retire after long service, it brings to an end one phase of their life. On retirement, they' lose everything they were used to while in service. Those retired from supervisory, managerial and officers posts, lese their peons, telephones in offices and residences, and many petty jobs which someone or other Used to do for them because of their Official position, turns into onerous tasks for, them to do personally. They enter into a new environment with altogether different concepts.

All the employees even after 'retirement from service will still need a minimum income to take care of their regular expenditure requirement. The elderly. People are always insecure socially and financially, to help their families survive without humiliation their needs for health care and nutrition go up dramatically, because their reduced immunity to common elements and several age related problems like cataract, heart troubles etc.

Social and economic security to the elderly people has become an absolute necessity today, because for the crumbling joint family system an account of rapid urbanisation migration of youth for jobs. Changing values of toady's younger generation and concept of individualism. The problem of senior citizens more so bank pensioners, has been seriously aggravated during the last 15 years due to denial of heir legitimate demand updation of pension by the GOVT/IBA and THE UNIONS IN NEGOTIATIONS. Pensioners, today find it difficult provide with families with minimum basic facilities, all due to inflation and major fall of the rupee, steep erosion in their hard eared sweated savings interest rates that has eroded their normal life. They are unable to lead their life even at subsistence with the meagre pension alone. If they are left over with family liabilities they are forced to find some additional source of income to meet their costs. If they are lucky, some retirees manage to get a house to live in after retirement by investing, all their little savings, i.e. provident fund. Gratuity, commuted pension, leaves encashment, etc.

For, quite a long time, government authorities have been treating the bank retirees callously indifferently and discriminatorily as a mendicant as if they are giving the retirees some charity with the objective of just keeping, them alive. Government had been considering a bank pensioner as an individual who in overnight become a burden to it. Plight of retired employees of earlier years had been more harrowing. A majority of them, has suffered humiliation and had to die after loyal service to the nation for very long time, without being looked after adequately by the government in the evening of their lives.

Every breadwinner has the responsibility to ensure. That, after his death, his spouse is not thrown to wolves, socially or economically. She should not be made to become a supplicant in the family. Family pension is a social security to be provided to the family of a pensioner after his demise, to help her to live with her family above poverty line and lead a reasonably decent life of human dignity at the same standard to which the family was accustomed when the pensioner was alive.

Years ago. The positive part is that I am much more relaxed and in better health. I was amazed as how some pains and problems just went away. That confirmed for me that it was the stress of my work.

What was unexpected for me is the phase (which I am still in) of waking up and feeling that I have to be or, I should be doing something more productive.

But, when I ask myself what exactly does that mean, I can only come up with old answers based on what I used to do when I had no choice. Now, having a choice is sometimes a bit scary. So I have this conversation with myself:

So what do you feel like doing today?

I don't know.

Do you feel good doing what you are doing now?

Yes, it feels very good.

So then…what is the problem?

I feel like my own patient. Telling myself it is OK to spend the days writing and thinking. Yes, getting used to being relaxed and mindful and contemplative, even meditative and Zen like is more difficult than I thought. But, it is my new goal and I am improving every day. I would like to be in the Flow: The Psychology of Optimal Experience (Harper Perennial Modern Classics): Mihaly Csikszentmihalyi: 9780061339202: Amazon.com: Books of everyday life by simply just living. My purpose is to free myself from the frenetic "rat race" conditioning under which I was exposed to since childhood. It is more a part of me than I realized.

In tune with the above objective I have self-published this 9th book of mine KNOW YOUR RETIREMENT RIGHTS after my retirement form bank's services in 2012. I have simplified the whole process by providing the relevant provisions under the Scheme supported by innumerable examples, clarifications and authentic interpretations. I have single handed collated, compiled information, typed the manuscripts and done proof reading and editing of this book. certain points , clarifications , FAQ are repeated for the sake of emphasis. **An important chapter of our ongoing struggle for pension upadtion &100 neutralization of DA is added giving bird's eye view of our issues with view to resolve, intensify our struggle in for clinching the same**

Although error free text is being attempted, to err is human. I request my readers to go through the publication and inform me about omissions and corrections if any to my **email: ambujchinu @gmail.com**

I also express my thanks to my well-wishers and friends of ALL INDIA INDIAN OVERSEAS BANK SC/ST EMPLOYEES' WELFARE ASSOCIATION who were kind enough to inspire me to write this first edition. I am grateful for any suggestions to make this book more useful in future also

I do not claim any originality there may some gaps in between but nevertheless, I have tried to cover many dimensions / developments / achievements relating to our service conditions.

I am aware that there is repetition of some points at some places, but in book of this. It could not have been avoided for developing subjects in different chapters for re- emphasis I believe that repeatedly emphasizing a point gets embedded into our memory permanently. I welcome your valuable comments.

You have worked hard and built a life for yourself and your family—one full of dreams, achievements, and happiness. Now, as you near retirement, you may have new dreams and goals in mind.

You may want to spend more quality time with your loved ones or travel the world. You may also want to fulfill commitments like your child's higher education or wedding. With a little retirement planning, you have the power to fulfill your wishes while maintaining your financial independence. Happy retirement!

S. SRINIVASAN

Former General Secretary All India Overseas Bank Employees Union-(33YEARS-1991-2014)
Former President of National Union of Bank Employees' (NUBE)
Former Workman Director Indian Overseas Bank (IOB) For Two full Terms in 1991& 2003
Former Joint Secretary of National Confederation of Banks Employees'(NCBE)
Former Vice President Union Network International
&
Chief advisor of All India Indian Overseas Bank SC/ST Employees' Welfare Association

Chapter 1

STAFF SUPER ANNUATION BENEFITS

1. GRATUITY Understanding the Basics of Gratuity

Gratuity under the Desai Award Para 8.31/32/34

1. Eligibility: 10 years
2. Gratuity shall become payable - on the voluntary retirement or resignation after10 years of service or irrespective of the years of HIS service or to his nominee, in case of his death or he, has retired on grounds of physical or mental health or on termination of his service by the bank.
3. Rate of payment
   a. Gratuity is payable at the rate of one month's basic pay for each completed year of service subject to a maximum of 15 months pay.
   b. An additional Gratuity is payable to an employee at the rate of 15 days wages for every year of service put in by him after 30 years. Thus, if a workman has put in 36 years of service in the Bank, he would be entitled to 15 + 6/2 = 18 salaries (8.34 Desai Award)
   c. pay for calculating gratuity shall be average of baste pay, *Special pay and officiating allowance payable during 12 months next preceding death, disability retirement, resignation or termination of service as the case may be.

   Note * In modification of Clause 9 of the Bi-partite Settlement dated 2S.0S.20 20(11b.p.s), with effect from 1.11.2017, workmen employees shall be paid Special Allowance as under:

   16.40 % of the Basic pay with applicable DA thereon.

   Note 1: The Special Allowance with applicable DA thereon shall not be reckoned for superannuation benefits viz., pension including contribution to NPS, PF & Gratuity'

   d. Gratuity shall be paid to a workman even if he enters the service of another bank. e. Income- Tax and Super-Tax if any, payable on the amount of gratuity will be borne by the Bank.
   f. Length of service –date of initial appointment (whether permanent, Temporary or probation) to date of retirement.

   Note2

   1. Permanent part-time employees who are required by the Bank to work for more than 6 hours a week will be entitled to Gratuity [Para (14) III BPS].
   2. Section 10(10) (iii) of Income Tax act 190 interalia exempts in the hands of an employee, gratuity paid to the extent

   a. 1/2 month salary for each year of completed service calculated on the basis 'of average salary for the last 10 months. or
   b. Gratuity received
   c. maximum celling specified from time to time whichever less is. (now 20 lacs) Salary means Basic Pay + *Special Pay and will not include any other allowances, perquisites, bonus or commission.

Subject to note 1 above

GRATUITY AS PER ACT: Payment of Gratuity Act, 1972.

a. If a person wants to take advantage of payment of Gratuity Act, 1972, he must prove the following facts

1. That any time in the past during the course of his employment he was receiving wages not exceeding Rs.2, 500/- p.m. (Stands deleted)

Note A:

Amendment Gratuity Act 2018

The Payment of Gratuity (Amendment) Act, 2018 received Presidential assent on 28th March, 2018 and came into force on 29th March, 2018 notified by the Ministry of Labour and Employment.

This amendment has aimed to ensure harmony amongst employees in the private sector and in Public Sector Undertakings/ Autonomous Organizations under the Government who are not covered under CCS (Pension) Rules. These employees will be entitled to receive higher amount of gratuity at par with their counterparts in the Government sector. An employee is entitled to receive gratuity if he has rendered continuous service for at least five years with an organization and usually given at the time of retirement under certain terms and conditions.

This gratuity is payable to the employee on his superannuation, or on his retirement or resignation or in case of Death or Disablement caused due to accident or disease.

After taking into consideration the increasing factors of inflation and wage relating to employees engaged in private sector, the Government decided that the entitlement of gratuity should also be revised in respect of employees who are covered under the Payment of Gratuity Act, 1972.

Key Amendments

The amendment has sidetracked the ceiling limit of the maximum amount of gratuity payable i.e Rs.10 lakh set in 2010. This upper cap prescribed by Section 4(3) of the Act, has been removed. Section 4(5) of the Act prescribes that if the terms of employment contract provide for a higher amount of gratuity over and above the ceiling limit stated in the Act, then the employee will be entitled to such higher amount. This transition has been introduced for the implementation of the 7th Central Pay Commission, whereby the ceiling of gratuity for Central Government employees has been enhanced from Rs. 10 lakhs to Rs. 20 lakhs. Instead of mentioning and specifying the ceiling amount in Act, the amendment empowers the Central Government to notify the ceiling proposed so that the limit can be revised from time to time keeping in view the increase in wage and inflation, and future Pay Commissions.

Another significant feature was introduced in relation to the period of maternity leave. The period of maternity leave for females in continuous service was twelve weeks under section 2A of the earlier Act. The amendment has modified the maternity leave period from 'twelve weeks' to 'twenty-six weeks 'in order to keep the Act in tune with the recently amended Maternity Benefit Act. This also resolves calculation of continuous service for the payment of gratuity to employees who are on maternity leave.

Note B:

1. That this period of service was continuous for not less than 5 years. The condition of completion of continuous service of 5 years does not apply for death or disablement.
2.. That during this period he was not employed in a managerial or administrative capacity.
3. Amount of every completed year of service or part thereof in excess of 6 months, 15 days wages based on the rate of wages last drawn, subject to a maximum of 20 months wages is payable (Section 4/2).
4. Wages means all emoluments earned while on duty or on leave including D.A. but excluding Bonus, HRA, Overtime and other Allowance (Section 2/5).

   Comparison between Gratuity under Act and under award.

   Note: Gratuity is calculated as per Desai Award and the payment of Act 1972.The more beneficial one is applied.

From the aforesaid provisions under the Act are more favourable for the following reasons.

1. Workmen in all classes of banks would be entitled to a maximum of 20 months wages.
2. Further, wages include D.A. which adds substantially to the pay.

   In the event of resignation from service, they would get gratuity under the Act after 5 years where asunder the Award at least 10 years service is required.

Computation of wages for the purpose of gratuity payable to award staff under payment of gratuity act, 1972.

IBA clarification subsequent settlement dated 27-3-2000

The definition of pay as in cl (6ii) of the settlements IBA has advised as reckoning of Special Pay, Graduation Pay, Professional Qualification Any, Officiating Pay, Increment Component of Fixed Personal Pay for computation of wages for the purposes of calculating gratuity payable under payment of Gratuity Act 1972 keeping view the effective dates of revision of said components of wages.

CALCULATION OF GRATUITY

Gratuity is calculated both under the Act and Scheme and whichever is beneficial to the member will be settled.

1. Gratuity under Act: Calculation

Pay x 1 5 / 26 x No. of years of Service (Service in excess of 6 months can be taken as one year)

Pay = Last drawn Basic Pay -I- Graduation Pay *Special Pay (on permanent nature) D.A on above

Taxable Portion - Nil (Entire Gratuity is exempted)

2. Gratuity under Scheme:

One month Pay for each year of completed service subject to a maximum of 15 months Pay. However, additional gratuity of 12 month's pay for each year of completed service can be given if the service exceeds 30 years. (Service of 6 months or more can be taken as 1 year).

Pay = Basic Pay + PPA + Graduation Pay + *Special Pay (on permanent nature) Basic Pay- Average of 12 months

Taxable Gratuity - 1/2 month's pay for each year of completed service is exempted and the balance is taxable.

Pay = Last 10 months' Average Basic Pay. Graduation Pay and *Spl. Pay (on permanent nature). Note:

Note:

GRATUITY IS FULLY FORFEITED.

1. When the service of the employee has been terminated for his riotous or disorderly conduct or any other act of violence on his part.
2. or for an offence involving moral turpitude provided such offence is committed by him in the course of employment Under Award:

   Pay: average of BP + full Sp. Allowance ranking for PF in case of clerical staff, officiating allowance if any, payable during the 12 months preceding death, disability, retirement, resignation, or termination as the case may be.

   However, the workman has one advantage under the Award. If he is dismissed for disorderly conduct or for any other offence involving moral turpitude but not having caused any financial loss to the bank, gratuity should be paid to him.

Note:

Gratuity is to be calculated on the basis of average of the pay payable during the last 12 months of service and not on the basis of average of pay "paid" during the last 12 months of service. (This is. clarified in Para.247 of LAT Decisions). The fact that employee was on half pay or loss of pay for some period during the last 12 months of service will not reduce the quantum of his gratuity.

COMPASSIONATE GRATUITY:

In our bank the family of dependence of employees who die while in service will be entitled to, in addition to their usual gratuity, the following additional compensation:

Employees who have served the bank for a period of	No. of months' salary payable as compassionate Gratuity
1 to 5	Nil
Over 5 years up to & including 10 years	2 months
Over 10 years up to & including 15 years	4 months
Over 16 years up to & including 25 years	6 months
Over 2 years up to & including 30 years	4 months
Over 30 years	2 months

The amount of this additional compassionate gratuity will in no case exceed the difference between what the deceased would have received as gratuity had he continued in service up to 60 years of age, or the basis of last salary drawn and what the 'dependents actually receive. The amount subject to Overall maximum is Rs10,000

Note:

1) The existing gratuity scheme of the banks shall be modified to the extent that service rendered beyond the completed years services shall be reckoned for gratuity purposes. If it is 6 months or more but less than 1 year (V BPS).

2) W.E.F. 1-1 -79 permanent part-time employees are also eligible for gratuity Rate of payment and conditions are same as full time employee.

3) W.E.F. 1-10-79 for computing gratuity Special pay payable by the banks if any to be taken into account will be amount Indicated in the last column. Now. As per 11 bps The Special Allowance with applicable DA thereon shall not be reckoned for superannuation benefits viz., pension including contribution to NPS, PF & Gratuity

1) CCA will not form part of 'Wage' for the purpose of calculation of Gratuity under payment of gratuity Act.

CALCULATION OF GRATUITY

S.No.	Underact	Under award
1	Compute No. of years of Service	1. Compute No. of years of service as 10-15 yrs. = actual 15-30 yrs. = 15 yrs. only above 30 = 1 /2 the no. of completed years
2	Calculation i. Last Basic Pay + Special Pay + PPA+officiating allowance + DA = 'A',15 A x ——-——--- 2 6 ii. Gratuity == B x no. of yrs. of service	i. Average of last preceding 12 months Basic Pay + Special Pay +PPA+ officiating 'allowance = 'A'= 'B' (15 days emoluments) ii. Gratuity = A x no. of yrs. of completed service computed in 1
3	Maximum ceiling: Rs.20 lacs	NO CEILING

The fraction of service beyond completion of service is six months and above' gratuity will be paid for full year.

SETTLEMENT OF TERMINAL BENEFITS - GRATUITY AND PROVIDENT FUND

Salary particulars of staff members for various period are required for calculation of eligible gratuity amount, taxable gratuity etc. These salary particulars are taken from service files of the concerned member.

Consequent to transfer of service, files of award staff members attached to Branches and Regional Offices to respective Regional Offices, the following guidelines are provided for compliance by Branches/ Regional Offices and to ensure prompt settlement to terminal benefits to eligible members ceasing to be in the' service of the Bank.

Operational Instructions:

1. At present, Regional Offices maintain service files of award staff members attached to their own offices and also service files of award staff members attached to branches falling Within their regions.

2.In the event of cessation of service of award staff members on account of retirement, death, discharge for disability, resignation or termination of service etc., the Regional Offices maintaining service files of the concerned award staff members should forward to Provident Fund Section,

Personnel Administration Department, Central Office, Madras, the members' service~ files duly incorporating/ up-dating the annual increment details for sanction of payment of gratuity, Provident Fund etc.

Gratuity Payable on Retirement on Superannuation

: CASE 1: FPA Rs. 965.00

Total Rs. 30910.00

Gratuity Payable under Gratuity Fund Regulations: Calculation of Gratuity for service up to 30 Years (A)

(Last drawn Basic Pay + FPA + FQA) X No. of Years of Service (Max.15 months' Pay per year)

i.e. = (29700+1030+900) X 15 (A) Rs.474450.00

Additional Gratuity for service above 30 Years (B)

Last Drawn Pay X No. of Years of service above 30 (2 of Pay for every year)

i.e. (29700+1030+900) X 1= Rs.15815.00

2 Total Gratuity Payable (A+B) = Rs.491427.50

Gratuity Payable under Payment of Gratuity Act, 1972

Last drawn pay (i.e. Basic Pay+FPA+PQA (increment component) +DA) X 15 days' pay

(15/26) for every completed year of service X 31 Years

i.e. (29700+1030+900) +27334 (DA @ 88.95% FOR AUG

Maximum gratuity payable is restricted to Rs.20.00 lac under the Act and therefore retired

1) As per the Gratuity Act, gratuity shall payable either under any approved Funds or the Act, whichever is higher. Gratuity payable in this case will be Rs20, 00.000 lakhs (Max under the Act) as it is more than the Gratuity payable under the Gratuity Fund regulations.
2) Please note that gratuity amount received upto Rs.20.00 lac is fully exempt from income tax under the Income Tax Act.

LAND MARK JUDGEMTNS OF SUPREME COURT ON PAYMENT OF GRATUITY

SC expounds: Gratuity shall be payable if termination of employment is by resignation after 5 years of continuous service. Read Judgment

Through the judgment of the case – Rajasthan State Road Transport Corporation Ltd. & Others v. Smt. Mohani Devi & Another, Justice R. Banumathi and Justice A.S.Bopanna at the Supreme Court have accepted the contention advanced by the respondent - Mohani Devi, widow of the deceased employee of the appellant- RSRTC, that section 4(1)(b) of the Payment of Gratuity Act, 1972, provides that the gratuity shall be payable if the termination of employment is after 5 years of continuous service and such termination would include resignation as well.

The Apex-Court has clarified it further, that in that view, if the gratuity amount has not been paid to the respondent's husband, the liability to pay the same would subsist and the widow Mohani Devi will be entitled to receive the same in accordance with the provisions of the Act.

The short question, which arose for consideration in this case was as to whether the husband of the respondent had acquired an indefeasible right to seek for voluntary retirement from service and in that light whether the Rajasthan High Court was justified in arriving at the conclusion that the subsequent resignation of May 3, 2006, submitted by the husband of the widow be considered as an application for voluntary retirement and treat the cessation of employer-employee relationship under the provision for Voluntary Retirement.

While considering the above aspect, a perusal of the factual matrix in this case would indicate that the respondent's husband had joined the service of the Appellant- Transport Corporation at Alwar Depot as conductor on March 15, 1979. The application seeking voluntary retirement was submitted on July 28, 2005.By that time the respondent's husband no doubt had put in more than 25 years of service. Insofar as the eligibility to apply seeking voluntary retirement in view of the completed length of service, the respondent's husband had acquired such right.

The appellant-Transport Corporation did not consider it appropriate to accept the application and grant the voluntary retirement. In that circumstance the husband of the respondent submitted his resignation on May 3, 2006, claiming to be under depression and his health condition had deteriorated further. The authorities accepted the resignation on May 31, 2006. He was relieved of his duties and the benefits were paid to him.

Thereafter, the respondent's husband is stated to have immediately submitted an application pointing out that he had erred in mentioning „resignation and he desired to retire in view of his earlier application for voluntary retirement. In that application, it was also mentioned that no decision had been taken by the authorities on his first application of July 28, 2005 and therefore, he be treated as having voluntarily retired with consequent retiral benefits. After her husband's death, the respondent approached the HC with such prayer.

A Single Judge Bench at the HC held that the respondent's husband had moved an application indicating deteriorating health and forcing such employee to work would be an act of oppression. Additionally, it was held that the voluntary retirement application was not decided within the period prescribed as per the clause 19-D(2) of the Pension Scheme and reliance was placed on Clause 18-D(2)of RSRTC Standing Orders as per which an employee of the Corporation, who had rendered pensionable service was entitled to seek voluntary retirement. It held that the respondent's husband would be deemed to have retired even though he had moved another application terming his retirement as resignation in view of the law laid down in the judgment – Sheel Kumar Jain v. The New India Assurance Co. Ltd. –2012 (1) SLR 305.Thuds, the appellants were directed to treat respondent's husband as voluntarily retired and to release the retiral benefits to which he was entitled.

Being aggrieved, an appeal was filed by the appellants herein before the HC division bench with no success and the said appeal was dismissed by the division bench finding no infirmity in the reasoning of the S.B. The same D.B. verdict has been challenged before the SC in this case.

The SC s finding has been that the factual aspects which were relevant for decision making in this case have not been referred by the HC during the course of its order but has merely assumed that the voluntary retirement application should be deemed to have been accepted when there was no rejection.

As has been noticed by the Court from the objection statement filed by the respondent herein herself, the bright to seek voluntary retirement is stipulated in Rule 50 of Rajasthan Civil Services Pension Rules, 1996. Since the same provides for 20 years of qualifying service, the respondent's husband was qualified to apply. However, what is relevant to take note of is that sub-Rule (2) thereof provides that the notice of voluntary retirement given by the employee shall require acceptance by the appointing authority.

In this case, the undisputed position is that there was no acceptance and in that circumstance the husband of the respondent had submitted his resignation of May 3, 2006. Though the HC has indicated deemed acceptance, the same would not be justified in the instant facts since the position which has not been taken note of by the HC is that as on the date when the husband of the respondent had made the application for voluntary retirement on July 28, 2005, he had been already issued Charge-Sheets of December 16, 2004 and July 11, 2005 alleging misconduct.

Though the respondent, through the objection Statement seeks to contend that the charge alleged against her husband was not justified, that aspect of the matter would not be germane to the present consideration since the position of law is well established that pending disciplinary proceedings if an application for voluntary retirement is submitted there would be no absolute right seeking for acceptance since the employer if keen on proceeding with the inquiry would be entitled not to consider the application for voluntary retirement. Hence there would be no obligation to accept.

In this case, the proceedings relating to the charge-sheet was taken forward and completed through the final order of September 3, 2005. The punishment of withholding of the increment was imposed. In such circumstance the non-consideration of the application for voluntary retirement would be justified.

The SC has noted that the acceptance of the resignation was acted upon by receiving the terminal benefits. If that be the position, when the writ petition was filed belatedly in the year 2012 and that too after the death of the employee, who had not raised any grievance during his life time, consideration of the prayer made by the respondent was not justified. The HC has, therefore, committed an error in passing the concurrent orders.

The SC has directed that the appellants shall calculate the gratuity and pay the same to the respondent-wife, if already not paid. Payment was ordered to be made in four weeks. The SC has allowed the appeal and set aside the two impugned judgments delivered by the HC.

https://www.latestlaws.com/latest-news/sc-expounds-gratuity-shall-be-payable-if- termination-of-employment-is-by-resignation-after-5-years-of-continuous-service-read-judgment/

FORFEITURE OF GRATUITY ON DISMISSAL FROM SERVICE

The Supreme Court held that forfeiture of gratuity is not automatic on dismissal from service; it is subject to sub-Sections (5) and (6) of Section 4 of The Payment of Gratuity Act, 1972. The Supreme Court dismissed the appeal filed by the Bank.

https://www.taxmanagementindia.com/visitor/detail_article.asp?ArticleID=8130#:~:text=The

%20Supreme%20Court%20held%20that,appeal%20filed%20by%20the%20Bank.

BANK CAN NOT STOP /WITHHOLD TERMINAL BENEFITS EVEN AFTER DIMISSAL, AT THE MOST BANK CAN RECOVER THE LOSS PORTION ONLY

(Responding to Shri Rakesh dubey Allahabad UP) latest judgment of Uttar Bihar

Gramin Bank

Dismissal from Service – Service benefits –

Withdrawal of – Whether justified – Petitioner removed from service on account of misconduct – Gratuity payable to Petitioner withdrawn on account of his dismissal based on misconduct – Held, amount of forfeiture of Gratuity to be restricted to amount of financial loss caused to Bank – Bank directed to release Gratuity in favour of Petitioner after deducting financial loss caused by him – Provident Fund and Pension also to be paid after completion of due formalities under Act and Scheme – Writ Petition disposed of with said direction –

(Shibatosh Dutta v. Uttar Bihar Gramine Bank (Pat.) (ABSANUDDIN AMANULLAH, J.) 2019 (1) LLN 792)

Patna High Court

Shibatosh Dutta vs. The Uttar Bihar Gramin Bank & Ors
IN THE HIGH COURT OF JUDICATURE AT PATNA
Letters Patent Appeal No.1555 of 2015

In Civil Writ Jurisdiction Case No.2573 of 2015

Shibatosh Dutta Son of Bhabatosh Dutta resident of Bahadurpur, Ward No. 29, near Madhuri Chowk, P.S. Samastipur, town and District Samastipur...... Appellant/s Versus

1. The Uttar Bihar Gramin Bank through its Board of Directors, Head Office at Kalam Bagh, P.O. + P.S. Muzaffarpur, District – Muzaffarpur

2. The General Manager, The Uttar Bihar Gramin Bank, Head office at Kalam Bagh, P.O. + P.S. Muzaffarpur, District – Muzaffarpu

(Decided on 6 March, 2018) Another good case:

Indian Banks' Association
HR & Industrial Relations
No. CIRIHR&IR/KU/M1/1004
June 30, 2015
Chief Executives of Member Banks which are parties to Bipartite Settlement dated 10.4.2002

Dear Sir,

Special Leave Petition No.17054/2009 before the Hon'ble Supreme Court -Bank of Baroda vs. Mr. S.K Kool (Ex-employee) -Supreme Court decision dated 11.12.2013 against the Bank

-Review Petition (C) - No. 2344/2014 & SLPNo. 11443/2014 Bank of Baroda vs. Girish Shukla before the Hon'ble Supreme Court of India.

One Shri SK Kool (since deceased) who was working as Clerk in Bank of Baroda was inflicted with the punishment of "be removed from service with superannuation benefits i.e., Pension and/or Provident Fund and Gratuity as would be due otherwise under the rules or regulations prevailing at the relevant time and without disqualification from future employment" in terms of provision 6(b) of Bipartite Settlement dated 10.4.02. based on the punishment inflicted, he was deprived of pension and leave encashment. He, therefore, raised an industrial dispute which was referred to the Industrial Tribunal by the Central Government for adjudication which decided in favour of the employee. Bank of Baroda filed a Writ Petition in the Allahabad High Court which was also dismissed.

Thereafter, Bank of Baroda challenged the Award of the Tribunal as well as the Order of the High Court by filing a Special Leave Petition (SLP) before the Hon'ble Supreme Court. It was contended by Bank of Baroda that in view of Regulation 22 of the Pension Regulations which provides that Resignation or Removal or Termination of an employee from the service of the Bank shall entail for feature of his entire past service and consequently shall not qualify for pensioner benefits. Since, the employee was removed from the service; he will not be eligible for pension and leave encashment.

The Hon'ble Supreme Court vide its Order dated 11.12.2013 observed that "from a plain reading of the aforesaid Regulation, it is evident that removal of an employee shall entail for feature of his entire past service and consequently such an employee shall not qualify for pensioner benefits. If we accept this submission, no employee from service in any event would be entitled for pensionary benefits. But the fact of the matter is that the Bipartite Settlement provides for removal from service with pensionary benefits as would be due otherwise under the Rules or Regulations prevailing at the relevant time." The consequence of this construction would be that the words quoted above shall become a dead letter. Such construction has to be avoided (page-9).

An employee who has rendered a minimum of ten years of service and fulfils other conditions only can qualify for pension in terms of Article 14 of the Regulation. Therefore, the expression "as would be due otherwise" would mean only such employees who are eligible and have put in minimum number of years of service to quality for pension. However, such of the employees who are not eligible and have not put in required number of years of qualifying service shall not been titled to the superannuation benefit though removed from service in terms of Clause 6(b) of the Bipartite Settlement (page 10).

The Bipartite Settlement tends to provide a punishment which gives superannuation benefits otherwise due. The construction by the employer shall give nothing to the employees in any event. Will it not be a fraud Bipartite Settlement? Obviously it would be (page-11).

Hence, we are of the opinion that such of the employees who are otherwise entitled to superannuation benefits under the Regulation if visited with the penalty of removal from service with superannuation benefits shall be entitled for those benefits and such of the employees though visited with the same penalty but are not eligible for superannuation benefits under the Regulation shall not been titled to that".

In effect, the award staff employees in Nationalised Banks and Associate Bank of SBI. Who are 'removed' and 'discharged' from the service. In terms of Clause 6(b) and (d) respectively. Of the Settlements dated 10.4.2002 I 27.5.2002 on "Disciplinary Action & Procedure. Therefore "will apparently be eligible for pension. If they have rendered requisite number of years of pensionable service, as per the above Judgement.

Based on the legal opinion obtained by the Bank, a Review Petition against the Order dated 11.12.2013 was filed by the Bank. In the meanwhile, another similar case pertaining to. Girish Shukla, (SCA9092/2008) before the High Court of Gujarat, Ahmedabad, and the decision dated 15.4.2014 had been pronounced against the Bank based on the decision of Kool's case. Bank filed SLP before the Supreme Court against the Order dated 15.4.14 so that, subsequently, this case also could be clubbed together with their view/reference petition filed in Koo's case before the Hon'ble Supreme Court. Based at the request of Bank of Baroda to IBA to implead itself in the SLP. As the matter in dispute was having industry-wide ramifications and affecting all PSBs, the managing Committee at its meeting held on

30.5.2014 had acceded to the request of the Bank and IBA impleaded itself in the SLP. In the meanwhile, the Review Petition in the case of:Mr.Kool came up for review before the Supreme Court on 12.11.2014 and the Review Petition was dismissed vide Order dated 12.11.2014. In the matter of Girish Shukla also, the Supreme Court has passed an Order dated 27.4.2015 as under:

"In view of the decision of this Court dated 11.12.2013 in Bank of Baroda vs. SK Kool, (dead) through Lrs. & Anr. 2014 (2) SCC 715, we find no merit in these petitions which are accordingly dismissed"

The matter was placed before the Managing Committee of IBA at its meeting held on 26.06.2015 for discussion. The Committee, after deliberation, suggested that banks which are parties to the Bipartite Settlement dated 10.4.2002 I 27.5.2002 may consider implementation of the above judgement of the Apex Court and IBA to initiate suitable amendments in Regulation 22 of the Bank Employees' Pension Regulations, 1995 as far as workmen employees are concerned.

Member banks may please be guided accordingly.

Yours faithfully,
Dy. Chief Executive

Income Tax Exemption on Gratuity

After the amendment in the Act, formal sector workers would be eligible for up to ¹ 20 lakh tax-free gratuity. This amendment to brings the maximum ceiling amount to ¹ 20 lakh in line with the 7th Central Pay Commission's recommendations as accepted by the government. The relevant amendment for central government employees was notified on July 25, 2016 and the enhanced ceiling amount was made effective from January 1, 2016.

A recently approved amendment by the Centre has increased the maximum limit of gratuity. Now it is tax exempt up to Rs 20 lakh from the previous ceiling of Rs 10 lakh, which comes Section 10(10) of the Income Tax Act. The CBDT Notification no. S.O. 1213(E), dated 8 March 2019, clarified that the exemption limit of Rs 20 lakh would be applicable to employees in the event of retirement or death or resignation or disablement on or after 29 March 2018. The impact of the amendment is evident from the example. A hike in the ceiling limit of maximum exemption helps reduce the taxable gratuity amount. This amendment is going to benefit those earning higher salaries in the short run. However, if you have a long time left before your retirement, this amendment will benefit most employees

Calculation of amount of gratuity exempted from tax

The least of the following is exempt from tax:

• Last salary (basic + DA)* number of years of employment* 15/26;

• Rs. 20 lakhs (which has been hiked from Rs. 10 Lakh as per the amendment);

• Gratuity Actually received

Let us understand this through an illustration:

The last salary drawn by Rohan is Rs.1 Lakh per month (basic + DA). He is entitled to receive a gratuity of Rs. 11 Lakhs. He has been in employment for the last 19 years and 7 months.

Sr. No.	Particulars	Previously	As Amended
1	Last drawn salary (Basic + DA)	1 lakh	1 lakh
	Number of years of employment	20 (will be rounded off)	20 (will be rounded off)
	Gratuity	1,00,000*20*15/26 =11,53,846	1,00,000*20*15/26 =11,53,846
2	Maximum exemption allowed	10 lakhs	20 lakhs (as amended)
3	Gratuity actually received	11 lakh	11 lakh
	Amount of exemption(least of the above)	**10 lakh**	**11 lakh**
	Taxable gratuity	1 lakh	–

Points to note:

15 days salary based on the salary last drawn for every completed year of service or part thereof i.e. 15/26.

Number of years in service is rounded off to the nearest full year.

ADDITIONAL NOTES ON PROVIDENT FUND AND GRATUITY & PROVIDENTFUND

Provident Fund is mainly retiring benefit. To some extent, it forms part of the currency wage the fund is made up of contribution made by the Bank. The main idea behind this retiring benefit is to provide for the employee and his family an adequate amount by way of compulsory saving augmented by a substantial contribution made by an employer.

Sastry Tribunal directed that banks should have provident fund scheme on the lines as indicated below:

(1) The provident fund should obtain ~recognition under the Indian Income-Tax Act, 1922* and for this purpose the rules under the provident fund should not be contrary to any rules laid down under the Indian Income-Tax Act. Where a bank for reasons of its own does not choose to get the provident fund recognised under the provisions of the Indian Income-Tax Act, the burden of the income-tax, to the extent to which the employees would not have to bear if the fund were a recognised fund, must be borne by the banks and not passed on to the employees.

(2) All whole time employees of the bank other than personal or domestic servants; if any, should be allowed the benefit of the fund as and from the date of confirmation in service.

(3) There should be no minimum amount of salary or remuneration fixed for any employee to become eligible to join the provident fund.

(4) Every eligible employee shall be required to subscribe to the fund in accordance with the rules.

(5) The rules should provide for every subscriber to the fund nominating a person or persons either belonging to the subscriber's family or dependent on him to receive the amount that may stand to the-credit of his fund in the event of his death occurring before the amount has become payable.

(6) Each subscriber shall be given a statement every year, in which shall be entered the amounts to his credit, made up of his contribution and the bank's contribution and the interest earned on the total moneys in his account. The advances taken, if any, and the repayments made should also be entered therein. The subscription due from each subscriber shall be realised by monthly deductions from his emoluments.

(7) Every subscriber shall subscribe monthly to the fund when on duty. The payment of subscription during leave shall be optional. The amount of subscription shall be 10 percent (amended since IV Bipartite Settlement now at 8%) Pay, means basic pay, *special allowances and officiating allowance, if any. (* quantum stands amended in 11 bps)

(8) The bank shall make a monthly contribution to the account of each subscriber equal to the amount subscribed by the workmen and such contribution shall be credited to the fund not later than fifteen days after the subscription is deducted from his emoluments.

(9) The fund shall be administered by the Board of Trustees on which the workmen also should have representation to the extent of 114th of the total strength of the Board.

(10) Moneys of the fund not immediately required for purposes of the fund and held in a Bank account shall be invested by the Board in any securities for the time being authorised under the Indian Income Tax Act, 1922 and the Trusts Act, 1882 and the rules made thereunder in respect of the Investments of moneys of the provident fund recognised under the Indian Income-Tax Act, 1922. Compound interest with half yearly rests will be allowed. Interest earned on the moneys of the fund shall be credited to the account of the individual subscriber. The banks, however, shall have the liberty to contribute other amounts at their discretion

11) Withdrawals by workmen and repayments by them shall be governed by the rules relating to such matters framed under the Indian Income-Tax Act, 1922, as conditions for recognition of provident funds under Section 58 (c) of the Act.

12) If a subscriber dies or for other reasons ceases to be a subscriber, the amount standing to his credit in the Fund including interest upto date shall become payable to him or his nominee, subject to any withdrawal made under rule 11.

13) No claim shall be entertain able against the Fund if made more than three years after the date on which the amount due became payable.

14) Any amount due from the Fund shall cease to bear interest after three months from the date on which the amount became payable.

15) Payments under rule 12 to-the employee or his nominees in the event of his death shall be made within one month of the date on which they fall due. In the case of death of an employee who has no subsisting nomination it shall be competent for the Board to pay the amount due to the natural heir or heirs of the deceased employee provided the Board is satisfied as to the heir ship of the claimant or claimants.

16) (i) Subject to the provision so sub-rule

(ii) No deduction shall be-made from the amount standing to the credit of a subscriber when final payment is made to him or his nominees except as otherwise provided for in this scheme.

(a) A subscriber, who has put in ten years of service and over, shall be paid the full amount of the bank's contribution with Interest.

(b) Those who have served five years and. more but less than ten years shall be entitled to the bank's contribution at the rate of ten per cent of such contribution with interest for each completed year of service.

(c) Those who have served for less than five years shall not be entitled to any portion of the bank's contribution of interest on it.

17) There shall be no forfeiture of any amount due to a workman under this scheme excepting in the case where he is dismissed for misconduct causing financial loss to the employer, and in such cases, limited only to the extent of such financial loss. (Para.2 of Desai Award)

18) Banks will be under obligation to make a contribution equal to the subscriber's contribution.
(Para 7.27 Desai Award)

19) Bank is obliged to supply to each workmen either with a pass book or an annual statement of account in connection with the workmen's provident fund account. (Para 7.38 of Desai Award)

20) Every employee who is subscribing to a provident fund should be supplied with a copy of the provident fund Rules by the bank concerned.

(Para 7.39 of Desai Award)

21) Where an employee dies before the completion of the period of five years or he is retrenched by the employer within the aforesaid period, or where his services are terminated on account of illness or physical disability or for reasons beyond his control, it is but fair that his heirs or legal representatives or nominees should receive the full amount standing to his credit in the provident fund including the employer's contribution therein with interest thereon.

(Para 7.32 of Desai Award)

Who could be members of the fund?

All full time employees of the bank only upon confirmation and all part -time employees of the bank with effect from 1.9-1978 who are required to work for more than 6 hours per week are entitled to the benefit of the fund.

(Para 14(1) of B.P.S. dated 31.10.1979)

Note: However, it should be noted that personal or domestic servants have been excluded from the Scheme.

The expression of pay {' for the purpose of provident fund shall mean basic pay (100%) and includes special CCA. allowance, if any, and officiating allowance, if any payable and the same would be ranked for the purpose of this fund as indicated at Para 6 III. (B) (I) and schedule II of settlement dated17.9.84. (Also Para 11.2 of B.P.S. dated 19.10.1966 and Para VII of B.P.S. dated 1.8.79),

Quantum of contribution

With effect from 1st November, 1993, provident fund contribution shall be at the rate of 10% of revised 'pay'. (for pension opted (with no matching contribution by the bank) and 11% for those governed under NPS with matching contribution of 14% of Pay and Dearness Allowance from the date of settlement subject to approval of Government)

2. GRATUITY

Sastry tribunal took the view that tin the banking industry compulsory gratuity scheme should be provided.it accordingly directed that except where there was a scheme for non- contributory pension an employee was actually allowed pension under the scheme, a gratuity should be paid to each employee who was covered by the award.

"Desai Tribunal, thereafter gave the following directions in connection with gratuity which were bit modified under settlements.'

2.1 When payable?

1. (i) Gratuity shall become payable (I) on the death of an employee whilst in service of the bank, the amount of gratuity being payable to the heirs. executors, administrators or assignees of the employee or, in case he has executed a nomination paper in the form prescribed the bank, to the nominee of the employee; (Ii) on an employee becoming physically or mentally incapable of further service; (iii) on y voluntary retirement or resignation after ten years continuous service. (Para 9.31 Desai Award)

2.2 Whether payable to part time employees?

(ll) Permanent part-time employees who are required by the bank to work for more than 6 hours a week will be entitled to gratuity.

(Para 14(i) B, P.S. dated 31.10.1979)

2.3 Quan1um Of gratuity

„The amount of gratuity shall be equal to one pay for each completed years of service subject to a maximum of 15 months pay in case at ''A' Class banks and a maximum of 'Of 12 months' pay, in case of employees of B' class banks and a maximum of months pay, in case of employee of 'C' class 'banks. Where, however a workmen employed In any class of bank has put in service of over thirty years, an extra amount by way of additional gratuity will become payable to him to him at,. The rate of additional half months pay for each completed year of service beyond thirty years. to that extent maximum provided as aforesaid will stand increased.

(Para 8.32 of Desai Award)

2.4 Scheme for calculation

1. The length of service shall be calculated as the total period from the day Initial appointment' (permanent, temporary or on probation) In the' bank to the day of cessation of the Banks service.

   In cases where employees formerly employed in areas now forming part of Pakistan have been re-employed in India after 151h August 1947) even though there might be break in their service, tine aggregate of the period of service in both areas should be taken as total period of service.

   (Para 8.33 Desai Award)

   * Whether period of six months or more but less than 1 year should be reckoned for gratuity? Service rendered beyond the completed years of service shall be reckoned for gratuity purpose if it is 6 months and more but less than 1 year. (Para 22 of B.P.S. dated 10.4.89)

2. Pay for the purpose of calculating gratuity shall be the average of basic pay amount of special pay, If any, portion thereof which ranks superannuation benefit In the case of clerical an officiating allowance if any payable during the twelve months 'next, preceding death, disability, retirement, resignation of termination, as the case may be.

   (Para 12.1 B.P.S. dated 19.10.1966 & Para V Bipartite Settlement dated 1.8.1979)

3. Gratuity should be paid to a workman even if he enters the service of another bank, notwithstanding any condition to the contrary in any Scheme.

   (Para 8.36 Desai Award)

4. The banks will be at liberty to pay gratuity in excess of what is herein provided. (Para 8.37 Desai Award)

5. Income-tax and super-tax, if any payable on the amount of gratuity will not be borne by the bank. (Para 8.38 Desai Award)

6. There will be no forfeiture of gratuity for dismissal on account of misconduct except in cases where such misconduct causes financial loss to the bank and in that case to that extent only. (Para 12.2 B.P.S. dated 19.10.1966)

Note:

Only the extent of financial lo incurred by the bank caused by employee's misconduct can be apportioned. It should be read along with Sec.4 (6) of the Payment of Gratuity Act, 1972.

1. Where there had been no Provident Fund scheme in existence prior to the date of the Desai Award (i.e. 7.6.1962), an additional gratuity calculated at the rates as mentioned in the above Act should be paid to the workmen and for his purpose their length of service should be computed at half the number of full years of completed service from the day of initial appointment (whether permanent, temporary or on probation) in the banks concerned till the date of introduction of the Provident Fund Scheme. (Para 8.41 Desai Award)

2. In case where there was an existing Provident Fund but a workman had been allowed to such Fund. after his confirmation, he should be given an additional gratuity at the rate mentioned above for the period commencing from the date of his confirmation to the date of his joining he Fund, the length of service being calculated for this purpose to the nearest full year. (Para 8.42 Desai Award)

Note:

That being the guidelines for payment of gratuity in the banking industry, it has to fall back upon The Payment of Gratuity Act, 1972.

The Payment of Gratuity Act, 1972 has been enacted to introduce a scheme for payment of gratuity for certain industrial and commercial establishments, as a measure of social security. In bringing this Act in the statute book, the intention of the legislature was not only to achieve uniformity and a reasonable degree of certainty but also to create and bring into force a self-contained, all embracing, complete and comprehensive code relating to gratuity.

Under Sec.4 (3) of the Payment of Gratuity Act "The amount of gratuity payable to an employee shall not exceed twenty months' wages", and the term wages is defined in section.2 (s) of the Act as follows:

"Wages" means all emoluments which are earned by an 'employee while on duty or on leave in accordance with the terms and conditions of employment and which are paid or payable to him in cash and includes dearness allowance, overtime wages and any other allowance.

Sec.4 (5) of the Act says that, "Nothing in this section shall affect the right of an employee to receive better terms of gratuity under any award or agreement of contract with the employer.

Under the Act and rules framed thereunder, an employee is required to file nomination after completion of one year's service for distribution of the amount of gratuity in the event of his death.

Recovery of gratuity

Under sec.8 of the Act and rules framed thereunder, if the amount of gratuity payable under this act is not paid by the employer within the prescribed time to the person entitled to hereto, the controlling authority shall, on application made to it in this behalf by the aggrieved person, issue' a certificate for that amount to the collector, who shall recover the same, together with compound interest thereon at such rate as the Central Government may be notification specify, from the date of the expiry of the prescribed time, as arrears of land revenue and pay the same to the person entitled thereto.

Whether gratuity is attachable?

Under sec.1 3 of the Act there is protection to gratuity and no gratuity payable under this Act shall be liable to attachment in execution of any decree or order of any civil, revenue or criminal court.

Whether gratuity can be forfeited?

A workman who has been dismissed for misconduct of riotous and disorderly behaviour inside the factory, gratuity would be liable to forfeiture for such misconduct (Tournamulla Estate v. Their Workmen, LLJ 1973, vol-II P.241 SC)

Whether gratuity can be forfeited wholly?

Under sec.4 (6) of the Payment of Gratuity Act certain contingencies have been laid down which may cause forfeiture of gratuity and these are:-

(a) **the gratuity of an employee, whose services have been terminated for any act, wilful omission or negligence causing any damage or loss to or destruction of property belonging to the employer shall be forfeited to the extent of the damage or loss so caused;**

(b) The gratuity payable to an employee may be wholly or partially forfeited:-

(i) If the service of such employee have been terminated for his riotous or disorderly conduct or any other act of violence on his part, or.

(ii) if the services of such employee have been terminated for any act which constitutes an offense involving moral turpitude, provided that such offense is committed by him in the course of his. Employment.

Calculation of Gratuity

Under the Act -gratuity is payable to monthly rated workmen which is 15 days' wages for every completed years of service. Then the question would arise as how to calculate 15 days wages and to work out gratuity?

*Whether monthly salary should be taken as salary for 26 working days and divide the same by 26 to find out 15 days' wages or whether monthly, salary should be taken as salary for 30: days and divide by 30 to find out one day's wages and the multiply it by, 15 to find out 15 days' wages? Whether the words "twenty months' wages' occurring in sub-section (3) of section 4 of the Payment of Gratuity Act, must be construed to mean wages for 520 days taking the actual working days in twenty months or must mean wages for r 600 days taking that a month consists of 30 days?

The first question considered by Supreme court was whether for the purpose of computing 15dys wages of monthly rated employee for calculating gratuity under the Act, the monthly wages last drawn (l by him should be treated as wages for 26 working days and his dally rate of wages should be ascertained on that basis and not by taking the wages for a month of 30 days and fixing his daily wages by dividing his monthly wages by 30 days.

It was urged that the words, "fifteen days" wages accruing in sub sec,'~2) of sec, 4.of the Act are clear and un ambiguous and must mean half a month's Wages and therefore there was no scope for an artificial calculation being made by dividing the wages for a month by the- number of working days viz 26 for determining the daily wages and multiplying the same by "fifteen" to determine the amount representing 15 days' wages in as much as the wages of a monthly rated employee were for all the 30 days of a month and not 26 working days' alone and therefore "fifteen day's wages" in his case would amount only to half a month's wages.

It was held that for the purpose of computation of fifteen days wages monthly rated employee in working-out gratuity amount payable under the act, the monthly wages last drawn should be treated as wages for 26 working days and his daily wages should be ascertained on that basis and not by taking the wages for a month of 30 days or fixing his daily wages dividing his monthly wages by 30 (Jeewanlal (1929) Ltd etc. V, Appellate Authority, Payment of Gratuity Act & Others etc., etc. LLJ 1984 – volume III P.464.1984 vol - III P.464.)

CLAIMS: PF/GRATUITY

a) Claim letter from the nominees addressed to lOB P.F., lOB Staff gratuity fund.

b) Same should be forwarded to CO.

c) Enclose:

i) Death Certificate.

ii) Legal Heir certificate in absence of nomination or in case of dispute.

iii) Branch should also confirm the PF recovery particulars for at least one year preceding death. It should also confirm that the member has made regular contribution towards P.F.

Chapter 2

STAFF PENSION

READ THIS CHAPTER WITH AMENDMENTS IN 11 BIPARTITE DATED 11-11-2020

Cl.15. Pension (including State Bank of India)-11 BPS

With effect from 1st November 2017, the Pay as defined under Clause 6 of this Settlement and drawn by the employees who are members of the Pension Fund shall be taken into consideration for the purpose of calculation of pension as per the Pension Fund Rules/ Regulations in force.

Note:

(1) Option not to claim incremental commutation on revised basic pension

Employees in service of the Banks as on 1st November 2017 and who have retired thereafter but before the date of this Settlement and who had opted for commutation of pension will have an option not to claim incremental commutation on revised basic pension.

(2) Calculation of Pension for employees retired between 1-11-2017 and 31-8-2018.

The pension payable to employees is based on the average of the emoluments drawn in the last ten months preceding the retirement of the employee in terms of Regulations 2 and 38 of the Pension Regulations. For the purpose of payment of pension, the Pay of the employees retiring on or after 1stINovember, 2017 will be taken on the basis of the Pay as is provided under this Settlement. However, in the case of employees who have retired from the services of the Banks, on or after 1st November, 2017 but before 3151 August 2018, since the period of preceding ten months will constitute Pay both under this Settlement as well as pertaining to Settlement dated 25th May, 2015 in such cases, the following procedure will be adopted for determining Pension payable to them.

(i) For the period of ten months falling on and from 1st November, 2017, the actual Pay drawn by the employee under this Settlement; and

(ii) For the period falling prior to 1st November, 2017, the actual Pay drawn by the employee plus Dearness Allowance at the rate of 47.8 percent thereon will be notionally reckoned as Pay for the purpose.

Cl. 16. Dearness Relief on Pension

With effect from 1st November, 2017, in respect of employees who retired or died while in service on or after 1SI November, 2017, Dearness Relief shall be payable at 0.07 % per slab on the Basic Pension or Family Pension or Invalid Pension or compassionate allowance as the case may be. Dearness Relief in the above manner shall be paid half yearly for every rise or fall of 4 points over 6352 points in the quarterly average of the All India Consumer Price Index for industrial workers in the series 1960= 100

17. Provident Fund

It is reiterated that -

(a) The employees who are presently covered under the Pension Scheme shall continue to contribute 10% of the Pay towards Provident Fund, but there shall be no matching contribution.

(b) Employees of State Bank of India will continue to be covered by Contributory

Provident Fund Scheme as hitherto.

(c) Employees who are presently covered under Contributory Provident Fund Scheme and have not opted for Pension Scheme under the Settlement dated 27'h April 20 I0 shall continue under the Contributory Provident Fund Scheme as hitherto.

(d) Banks may decide and fix at their level a higher percentage of contribution to PF.

18. New Pension Scheme:

(a) In partial modification of Clause 15 (d) of Bipartite Settlement dated 27'h April, 2010, in the case of all employees who have joined the Bank on and from 1st April, 2010 and who are governed and covered by the New pension Scheme Defined Contributory Pension Scheme, while the employee will continue to contribute 10% of Pay plus Dearness Allowance, the bank (including SBI) will make a contribution of 14% of Pay and Dearness Allowance from the date of settlement subject to approval of Government.

(b) The service charges by the Service Provident fund Manager of NPS will be borne by the bank (including SBI) from the FY 2021.

19. FAMILY PENSION

1. Ordinary rate of family pension

(i) Without prejudice to the provisions contained in these Regulations where an employee dies -

a. after completion of one year of continue 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

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 as follows:

(ii) In respect of employees other than part time employees retired from 1.11.2007.

Scale of pay per month	Amount of monthly Family Pension
Upto Rs.7,090	30 per cent of the PAY shall be the basic family pension plus 30 percent of allowances which arecounted 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.1,779 /- per month.
Rs.7091 to Rs.14180/-	20 percent of the PAYshall 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. The aggregate of basic and additional family pension shall not be less than Rs.2,186/- per month.
Above Rs,.14,181/-	15 percent of the PAY shall be the basic family pension plus 15 percent 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.2841/- per month and more than Rs.5930/- per month.

(i) In respect of employees other than part time employees retired or retiring on or after 1.11.2002.

Scale of pay per month	Amount of monthly Family Pension
Upto Rs.5720/-	30 percent of the PAY shall be the basic family pension plus 30 percent of allowances which arecounted 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 toa minimum of Rs.1435 per month.
Rs.5720 to Rs.11440/	20 percent of the PAY shall be the basic pension plus 20 percent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additionalfamily pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.1715 per month.
Above 11440/-	15 per cent of the PAY shall be the basic family pension plus 15 percent 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 be subject toa minimum of Rs.2292 per month and a maximum of Rs.4784 per month.

Note:

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 and ALLOWANCES as defined in these Regulations.

   For the above two categories, Family pension will be revised from 01-05-2005.
3. Enhanced Rate of Family Pension.

   Where at the time of death, the employee has completed 7 years of continuous service, family pensions may be paid at 50% of the pay last drawn or twice the ordinary rate of family pension, which- ever is less, for a period of 7 years or till the deceased employee would have attained the age of 65 years had he survived, whichever is less, provided the enhanced family pension shall not exceed the normal pension admissible on retirement.
4. Commencement of family pension

   The family pension will become payable from the date following the date of death of the employee/ pensioner.
5. Period of payment:

   The period for which family pension is payable is as follows:

a. in the case of widow or widower, upto the date of death or re marriage whichever is earlier
b. in the case of son, until he attains the age of 25 years or until he get married whichever is earlier.
c. In the case of unmarried daughter, until she attains the age of 25 years or until she gets married whichever is earlier.
d. For own sons and daughters, income should not exceed Rs.12,000/- PM

e. For parents who were wholly dependent on the employee when he / she was alive, provided the deceased employee had left behind neither a widow/ widower nor a child and parents income should not exceed Rs.12,000/- PM

However, family pension shall be payable to the son or daughter for life, if he/she suffers 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 25 years.

6. Order of payment of family pension:

After the death of the employee/pensioner, the family pension will be paid in the following order.

a. first to the widow or widower, if she/he is not remarried

b. next to the children the order of their birth, The younger of them is not eligible for family pension until the elder next above him or her has become ineligible for the grant of family pension.

c. After exhausting all these members, the disabled child will receive family pension for life. family pension is payable to twins children, it shall be paid in equal shares. Similarly, family pension payable to more than one widow, the same is paid in equal shares.

8. Receipt of two family pensions:

In case both the husband and wife are employees of our bank and in the event of death of both of them, the surviving eligible child be granted two family pensions subject to ceiling on the total amount of pension.

9. Suspension of family pension:

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 institute against them.

b. If on the conclusion of the original 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 employees, the family pension shall be payable to such a person from the date of death of the employee.

c. The above provisions shall also apply for the family pension becoming payable on the death of an employee after his retirement.

Family Pension Stands revised to 30% of Basic Pay plus allowances ranking for P.F without ceiling with effect from 1.4.2021 is accordance with 8th Joint note and 11th bipartite settlement. The respective communication of IBA and Govt of India is communicated to all Banks.

NOTES

Subject to approval by the Government, It is agreed that family pension shall be payable at the uniform rate of 30 percent of the Pay of the deceased employee and that there shall be no ceiling on family pension. It is agreed that these provisions, when approved by the Government shall apply to SBI also.

REG: **Revision in Minimum Pension, Ordinary rate of Family Pension of employees**

(including part-time employees)& Payment of Dearness Relief on Basic Pension for pensioners & family pensioners who retired on or after 01.11.2017, consequent upon wage revision as per 11th BPS/8th Joint Note dated 11.11.2020

SUMMARY-

- Revision in Minimum Pension payment for employees including Part time employees
- Revision in Ordinary Rate of Family pension of employees including Part time employees
- Payment of Dearness Relief on Basic Pension for pensioners &. Family pensioners who retired on or after 01.11.2017

Consequent upon the wage revision as per XIth Bipartite Settlement & Joint Note dated 11.11.2020. The IBA vide their communication has informed about the revision in the minimum pension of employees including part time employees, revision in ordinary rate of family pension of employees & payment of Dearness Relief on Basic Pension for pensioners & Family pensioners who retired on or after 01.11.2017.

The brief of the matters related to the revision in minimum Basic Pension, ordinary rate of family pension of employees & Dearness Relief on basic pension for pensioners and family pensioners is as under-

B. FAMILY PENSION (PART TIME EMPLOYEES)

The minimum amount of family pension and the maximum amount of family pension shall be in proportion to the rate of scale wages drawn by the employee.

DEARNESS RELIEF

The Dearness Relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 6352 points in the monthly average of All India Consumer Price index for Industrial Workers in the series 1960 = 100 at the rate of 0.07 percent per slab on the basic pension for pensioners and family pensioners.

Before giving effect to the revised pension, a suitable undertaking may be obtained from the. pensioners as well as from family members/nominees, to enable the pension fund to make adjustments, if any, at a later date.

IOB EMPLOYEES' PENSION REGULATIONS 1995

SHORT TITLE AND COMMENCEMENT DEFINITION:

1. 'Employee' means any person employed in the service of the Bank, whether as a workman· on full time work on permanent basis or on part-time work on permanent basis on scale wages or as an officer and who opts and is governed by these regulations, but does not include a person employed either on contract basis or daily wage basis or on consolidated wages."
2. FAMILY* means (* only or purpose of pension)

   i) Wife in case of male employee and husband in case of female employee

   ii) 'Son or unmarried daughter or widowed/divorced daughter who has not attained the age of twenty-five years, including such son or daughter adopted legally."

   iii Parents who were wholly dependent on the employee when he/she was alive provided the deceased employee had left behind neither a widow/widower nor a child."

   iv) Judicially separated wife or husband, such separation not been granted on the ground of adultery

   And the person surviving was not held guilty of committing adultery. v) Note: Posthumous child is entitled-for grant of family pension.

3. AVERAGE EMOLUMENTS

means average pay drawn by an employee during the last ten months of service.

4. PENSION means basic pension + additional pension.

5. RETIREMENT means the retirement at anyone of the following circumstances:

i) On attaining age of superannuation.

ii) Premature retirement before the age of superannuation as per provisions of service rules.

iii) Voluntary retirement before the age of superannuation as per provisions contained in the Bank's pension regulations 1995.

iv) Compulsory retirement as per provisions of service rules/settlements.

v) Retirement on medical grounds on account of bodily or mental infirmity which permanently incapacitate him for service. But he/she will be eligible for invalid pension only.

Settlement:

Memorandum of settlement agreed between management of lOB and The Union Service Regulation means lOB (officers) service Regulations 1979.

6. DATE OF RETIREMENT

means Last date of the month In which the Employee attains the age of Superannuation or date on which he is retired by the Bank. In case of employees retiring voluntarily as per the provisions in the pension regulations, the effective date of retirement is as approved by the Bank.

7. APPLICATION AND QUALIFYING SERVICE:

i) Pension regulations shall apply compulsorily to all employees who joined the bank on or after the notified date i.e. 29.9.95.

ii) All employees of the Banks as on 29.9.95 (before the notified date) will be given an option to opt for pension or to continue with the CPF.

iii) They have to exercise their option within 120 days from the date of notification issued to become member of the fund.

iv) An employee recruited on or after notified date, at the age of 35 years and above may within period of 90 days from the date of his/her appointment may select forgo his right to pension and then he shall be eligible for CPF

Note: Employees who are presently covered under Contributory Provident Fund Scheme and have not opted for Pension Scheme under the Settlement dated27th April 2010 shall continue under the Contributory Provident Fund Scheme as hitherto (Cl. 16 (c) 9 B, P.S)

8. QUALIFYING SERVICE:

i) Employees who have completed 10 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. In case of mergers the entire service rendered in the erstwhile Bank will be reckoned as qualifying service. Qualifying service shall commence from the date of his/her first appointment in the bank on permanent basis.

a) Period of probation / training followed by confirmation shall be treated as qualifying service.

b) The length of qualifying service of employee referred in Note (b) for the purpose of calculating pension shall be determined as under:'

Counting of service rendered on permanent part-time basis:-c 15(A).of 10 bps

Pension for Part-time Employees

With effect from 1st November2012, for the purpose of calculating the amount of pension in respect of permanent part time employees in scale wages who are covered by the Pension Scheme, their actual service shall be reckoned for qualifying service and not pro rata. The actual service/qualifying service shall be calculated from the date of recruitment/appointment as permanent part time employee in scale wages or from 1st September 1978 whichever is later.

Note

ii) If the broken period of service is less than one year but more than six months it shall be treated, as one year and if such broken period is 'less than six months it will be ignored. For e.g.: If the services of employee is 22 years 7 months then his qualifying service shall be 23 years, if it is 22 years 6 months it will be 22 years only. This regulation shall not apply for determining the minimum service required to make an employee eligible for pension

iii) Extraordinary leave on loss of pay will not count as qualifying service except when the sanctioning authority has directed that such leave may count as service for all purposes.

iv) All leave during service in Bank for which leave salary is payable shall count for qualifying service.

v) An Employee who rendered military service before appointment in the Bank shall continue to draw military pension in which Case his formal military service shall not count as qualifying service.'

Note: Military service in general will not be reckoned as qualifying service.

vi) Period of suspension of an employee pending enquiry shall count for qualifying service only if he has been exonerated or the suspension is held to be wholly unjustified. In all other cases the period of suspension shall not be counted as qualifying service unless the competent authority passing the final order expressly declares whether and to what extent the suspension period should be treated as counting towards qualifying service.

vii) FORFEITURE OF SERVICE:

i) dismissal, termination, or resignation of an employee from service shall entail forfeiture of his entire service and shall not qualify for pension.

ii) 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.

9. CLASSES OF PENSION:

A) Superannuation Pension: Employee retiring or attaining the age of superannuation are eligible.

Provided that, with effect from 1st day of September, 2000, pension shall also be granted to an employee who opts to retire before attaining the age of superannuation, but after rendering service for a minimum period of 15 years in terms of any Scheme that may be framed for such purpose by the Board with the approval of the· Government.

B) Premature retirement Pension:

Employees retiring in advance of the age of superannuation as per service rules/settlements will be eligible. or 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

C) Pension on Voluntary Retirement:

(a) Employees retiring voluntarily' after having completed 20years of qualifying service are eligible

(b) Such employees have to give three months notices in writing to the competent authority.

D) Pension on compulsory Retirement:

An employee compulsorily retired from service as a penalty on or after, 1st day of November 1993 in terms of "Indian Overseas Bank Officer Employees: (Discipline and Appeal Regulations 1976, or awards/settlements may be granted by the authority higher them the authority competent to Impose such penalty, pension at a rate not less than two-thirds and not more than full pension is admissible to him on the date of his compulsory retirement 'if otherwise he is entitled to such pension on superannuation on that date."

E) INCREASE OF NOTIONAL SERVICE

The qualifying service of an employee retiring on completion of 20 years of actual service shall be notionally increased by a maximum of five years so that the maximum qualifying service does not exceed 33 years and shall not go beyond the normal date of superannuation.

No. of years of service	Pro-rata pension
(e.g.) 20 + 5 = 25 years	- AE/2 x 25/33
23 + 5 = 28 years	- AE/2 x 28/33
24 + 5 = 29 years	- AE/2 x 29/33
28 + 5 = 33 years	- AE/2 x 33/33 = AE/2
'29 + 4 = 33 years	- AE/2
30 + 3 = 33 years	- AE/2
31 + 2 = 33 years	- AE/2
32 + 1 = 33 years	- AE/2

after adding this service pension will be calculated on pro-rata basis.

Weightage allowed based on service		Weightage allowed based on age	
Between 20-28years	- 5 years	53 years and below age	- 5 years
For 29 years	- 4 years	54 years age	- 4 years
For 30 years	- 3 years	55 years age	- 3 years
For 31 years	- 1 years	56 years age	- 2 years
For 32 years	- 1 years	57 years age	- 1 year

Normal retirement after 10 years of service: Employees who retire from the Bank service in the NORMAL course on attaining the age of superannuation will be eligible to get pension provided they have put in 10 years of service. In such cases basic pension will be proportionate. (E.g.)

a) An employee retiring in January 1994 at the age of sixty has put in,15 years of service then basic pension = (average emoluments/2) X (15/33)

b) An employee retiring in March 1994 at the age of sixty after putting 22 years of service then the basic pension = (average emoluments/2) X (22/33)

c) An employee joined the bank on 1.7.70. He takes voluntary retirement from service on 30.4.96.

His date of birth is 1.5.1940

Total service = 25 years and 10 months. Qualifying service rounded off to = 26

Since he retired at the age of 56, and balance period of retirement on superannuation now is 4 years (retirement revised to 60 years).

Additional weightage to qualifying service = Q.S. + 4

= 26 + 4 = 30 years. B.P. AE/2 x 30/33

Note

1. For super annuation retirements the notional weightage of 5 years will not be given.
2. Pension is not paid to an employee who resigns from the bank at any time.

10. INVALID PENSION:

a) is granted if an employee retires on or after 1-11 -1993, and has minimum 10 years of service on account of any body, or mental infirmity which permanently incapacitates him/her from the service. An employee, applying for invalid pension shall submit a medical certificate of incapacity from a medical l officer approved by the Bank.

b) Invalid pension granted shall not be less than the minimum pension of Rs.720 (w.e.f 1/11/93)

11. (a) COMPASSIONATE ALLOWANCE:

An employee who is dismissed or terminated shall forfeit his/her pension but the competent authority if the case deserving one, on special consideration will sanction as allowance not exceeding 2/3 of the pension which would have been otherwise admissible to him. The compassionate allowance sanctioned shall not be less than the amount of minimum pension payable under the regulations.

(b) COMPULSORY RETIREMENT PENSION:

(1) An employee compulsory 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 shall,,not be less than the amount of rupees three hundred and seventy-five per mensum.

RETIRED	MINIMUM PENSION IN Rs.
Before 1 - 1-92	375
Before 1- 1-93	725
On or after 1 -1 – 93	1015

12. RATE OF PENSION

a) Basic Pension will be 50% of the average emoluments.

b) Those special allowance treated as ‘special’ pay; vide Bipartite Settlement/s such special pay will added to Basic pay for arriving at Basic pension.

‘Pay’ for pension = Basic pay + Special Pay + PPA etc.

c) Pay’ for pension = basic pay + special pay (as reckoned by BPS) + PPA (IN IOB & FPA as reckoned BPS for others)

Note: Read definition of’ pay’ as * Amended vide Notification No. 16 dated 17.04.2010

and 11 th bipartite settlement

d) Service of thirty-three years will qualify for full pension. In case of an employee who has put in less than 33years of service, pension will be payable on proportionate basis for the number of qualifying service as follows:

e) Pay for the purpose of computing basic pension will be as under:

In case of an employee who has i Retired on or after 1.1.86 and before 1.11.93

In case of an employee who is retiring on or after 1.11.93

Basic pay, including stagnation increments, plus allowance qualifying for PF and DA Revised Basic pay as' per extant bipartite settlements

Bipartite settlement Plus stagnation increment plus + PPA (or FPA) and special pay (as reckoned) etc.

f) Average emoluments will mean pay drawn by an employee during the last 10 months of his service.

g) If during the last 10 months of his service or any part thereof, an employee has, been absent from duty on extraordinary Leave on loss of pay or had been under suspension and the period whereof is not to be counted as qualifying service for pension the aforesaid period of leave on loss of pay or suspension shall not be reckoned in the calculation of average emoluments and an equal period before that date shall be taken into calculation, so as to arrive at a total of 10 months.

RATE OF PENSION

Various elements required for calculating pension are;

1. Gross Service: Calculation of the total number of years of service rendered by an employee from the date of his appointment of permanent basis to the date of retirement This is Gross Service.
2. Non qualifying service: period under suspension, leave on loss of pay etc. will be treated as non-qualifying service
3. Net qualifying service: if you deduct the period non qualifying service from the Gross service, we get net qualifying service. To this, we may add the weightage of service if any, given for voluntary retirement and for appointment under normal circumstances.

i) Average emoluments (AE) will mean pay drawn by an employee, during the, last 10 months of his service. The period of 10 months will be reckoned backwards from the date of retirement.

ii) In case of voluntary retirement where the date of retirement may not always be the last day of the month, then the 10 months period for calculation of AE will be reckoned backwards from the last day of the notice period or date as specified in the order waiving the notice period.

iii) In case of premature retirement such 10 months period should be reckoned backwards from the date of retirement that may be specified in the order of the competent authority.

iv) In case of Compulsory retirement such 10 months shall be reckoned backwards from the date of retirement that may be specified in the concerned order of the competent authority.

v) If during the last 10 months of his service or any part thereof, an employee had been absent from duty on extraordinary leave on loss of pay, or had been under suspension and period whereof is not to be counted as qualifying service for pension the aforesaid period of leave on loss of pay or suspension shall not be reckoned in the calculation of AE and an equal period before that shall be taken into calculation, so as to arrive at a total of 10 months.

vi) If during the last 10 months of his service an employee had been absent from duty on leave for Which leave salary was payable or having been suspended, had been reinstated without forfeiture of service, the pay which he should have drawn had he not proceeded on leave or had he not been suspended be taken into account for determining AE provided that any increase in pay which is not actually drawn shall not form part of his pay except that an increment earned, which was not withheld though not actually drawn shall be included in AE.

NOTE: 1

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. Amended vide Notification No. 11 dated 11.01.2018

Note 2:

Various elements required for calculation pension are:

i) Qualifying service: Calculate the total number of years of service rendered by an employee from date of appointment on permanent basis. This is Gross service say G.S.

ii) Non qualifying service: Period of suspension, leave on loss of pay etc. will be treated as non-qualifying service say NQS.

iii) Net Service == (G - NQS) == NS

To this add the weightage of service, if any given for voluntary retirement and appointment under special circumstances.

iv) Calculate Basic Pay (i.e. Revised BP received by the member as per BPS during the last 10 months preceding the date of retirement,

a) If during last 10 months, an employee had been on leave and drawing leave salary or had been suspended and reinstated without forfeiture of past service, the pay which he would have drawn had he not been on leave or on suspension should be taken into account to determine the AE.

b) If during the last 10 months an employee had been on extraordinary leave on loss of pay, a had been under suspension, (suspension treated as penalty and ordered as such) corresponding back period so as to make up 10 months should be taken.

v) Total allowance (now special pay) like PPA, Special Pay, etc. which count for PF drawn by the member during the last 10 months.

vi) Average Emoluments: Average of last 10 months BP plus average of special pay plus PPA shall be arrived.

vii) HOW TO CALCULATE PENSION:

i) Completed 33 years of qualifying service, the Basic pension = 50% of AE where AE = Average Pay = BP + PPA + Special Pay etc.

ii) In case employee is retiring before 33 years, but after qualifying service of 10 years, the amount of pension shall be proportionate.

iii) In case the employee voluntarily retires after 20 years then add additional weightage in service

HOW TO CALCULATE PENSION:

In case of an employee retiring on superannuation after completing 33 years of qualifying ser- vice, the amount of Basic pension is calculated on 50% of the Average Emoluments (Basic Pay) and other allowances such as FPA & PQA.

In case of any employee retiring before completing qualifying service of 33 years, but after com- pleting qualifying service of 10 years, the amount of pension shall be proportionate.

The formula is:

Average Emolument	50	x	No. of years of qualifying service
	100	x	33

ILLUSTRATION:

An officer joined the Bank on 01.08.1995. He takes voluntary retirement form the Bank on 31.03.2021. His Average Basic Pay is Rs.87390/-. He also draws F.P.A. of Rs.2220/- and P.Q.P. of Rs.2550/-. His date of birth is 05.08.1970.

His Pension is Calculated as follows:

Total years of Service

Date of Retirement 31.03.2021

Date of entry in Service 01.08.1995

Gross Service is 26 years

25 Y 7M 30D

Qualifying Service is 26 years To Add Additional weightage

5 years Total qualifying Service

31 years He has retired at the age of 51 years.

For the Net qualifying service of 31 years,

his Basic pension will be Rs. 87390 + 2220 + 2550 = 92160 x 50/100 x 31/33 = 43287

Commutation 43287/3 = 14429 Rs.14429 x 12.95 x 12 = 22,42,266/-

Note : Charts shows the basic pension for different periods of qualifying service are given in the table.

1. OTHER SALIENT FEATURES OF PENSION

1. Pension shall become payable from the date following the date on which he retires.
2. Pension will be paid monthly, in arrears, on or after the first day of the following month
3. Pension will be paid in Indian Rupees in India only.
4. Pension will be rounded off to next higher rupee
5. The amount of minimum pension shall be Rs.1060/- in respect of an employee who retires on or after 1-4-98 and for those retired after 1-11-2002 the minimum shall be Rs.1435/ and the minimum pension shall be Rs.1779/- for those who retire on or after 01.11.2007.
6. Pension will be paid for the day of death of the pensioner.

Eligible

viii) Formula: Basic pension = AE/100 x 50/33 x NS (with a maximum of 33 yrs.) ix). Minimum Pension is Rs.720/- p.m. for those retiring on or after 1.11.93;

DEARNESS RELIEF (DR)

1) Dearness relief shall be granted on basic pension or family pension or invalid compassionate allowance in accordance with rates given below.
2) Dearness Relief shall be allowed on full basic pension even after commutation.
3) Dearness relief shall be payable for the half year commencing from the 1st day of February an ending with 31st day of July on the quarterly average of the index figures published for the month of October, November and December of the previous year and for the half year commencing from the 1st day of August and ending with the 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 below in note 6.
5) Dearness relief is not, payable on additional pension.
6) In the case of employees who retired 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 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 per month -1	The rate of dearness relief as a percentage of basic pensions -2
(i) upto 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 percent of Rs.2400 plus 0.29 per cent of the difference between Rs.3850 and Rs.2400 plus 0.17 percent of the difference between Rs.41 00 and Rs.3850 plus 0.09 per cent of basic pension in excess of Rs.4100.

IMPORTANT NOTE:

As per VII Bipartite Settlement pension shall be calculated on pre-revised Basic pay and Dearness allowance thereon up to 1616 points of AICPI 1960= 100 (see IBA guidelines PD/CIR/76/G2 dt.3.5.200

	Scale of Pay
Upto Rs.3550	0.24 % of Basic Pension
Rs. 3551 to Rs. 5650/-	0.24% of Rs. 3550/-plus 0.20% of the basic pension inexcess of Rs. 3550/
Rs.5651 to Rs. 6010/-	0.24% or Rs. 3550 plus 0.20% of difference betweenRs.5650/ and Rs. 3550/- plus 0.12% at basic pension plus 0.20% of the difference
Above Rs. 6010/-	0.24% of Rs. 3550/- plus 0.20% plus 0.12% betweenRs. 5650/- and Rs. 3550/- plus 0.12% difference between Rs. 6010/-and Rs. 5650/ plus 0.06% of basic pension in excess of Rs.'61 00/-

In respect of retirees of period after 1.11.2002 Pension will be revised i.e. 01.05.2005 D.A relief shall be payable at 0.18 percent at basic pension w.e.f.1.5.2005 Aug. 05 DA will be 14.22% of basic pension for the above category employees.

NOTE:

Dearness relief shall be payable for the half year commencing from the 1st day of February and ending with 1st 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 the 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.

PENSION FOR PART-TIME EMPLOYEES

1.With effect from 1st November 2012, for the purpose of calculating the amount of pension in respect of permanent part time employees in scale wages who are covered by the Pension Scheme, their actual service shall be reckoned for qualifying service and not pro rata. The actual service/qualifying service shall be calculated from the date of recruitment/appointment as permanent part time employee in scale wages or from 1st September 1978 whichever is later (amendment 11 bipartite)

2. Dearness relief is not payable on additional family pension.

3. Scale of pay for the purpose of calculation of family pension as above shall be the aggregate of PAY and ALLOWNCES defined in these Regulations. For the above two categories, Family pension will be revised from 01.05.2005

3. Enhanced Rate of Family Pension

Where at the time of death, the employees has completed 7 years of continuous service, family pensions may be paid at 50% of the pay last drawn or twice the ordinary rate of family pension, whichever is less, for a period of 7 years or till the deceased employee would have attained the age of 65 years had he survived, whichever is less, provided the enhanced family pension shall not exceed the normal pension admissible on retirement.

4. Commencement of family pension

The family pension will become payable from the date following the date of death of the employee/ pensioner.

5. PERIOD OF PAYMENT:

The period for which family pension is payable is as follows:

a. In the case of widow or widower, upto the date of death or re marriage whichever is earlier.

b. In the case of son, until he attains the age of 25 years or until he get married whichever is earlier.

c. In the case of unmarried daughter until she attains the age of 25 years of until she gets marriage whichever is earlier.

d. For own sons and daughters, income should not exceed Rs.2550/-

e. For parents who were wholly dependent on the employee when he / she was alive, provided the deceased employee had left behind neither a widow / widower nor a child and parents income should not exceed Rs.2550/-

However, family pension shall be payable to the son or daughter for life, if he / she suffers 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 25 years.

6. ORDER OF PAYMENT OF FAMILY PENSION:

After the death of the employee / pensioner, the family pension will be paid in the following order.

a. first to the widow or widower, if she / he is not remarried.

b. Next to the children the order of their birth The younger of them is not eligible for family pension until the elder next above him or her has become ineligible for the grant of family pension.

c. After exhausting all these members, the disabled child will receive family pension for life.

7. PAYMENT TO TWINS

Where family pension is payable to twins children it shall be paid in equal shares. Similarly, family pension payable to more than one widow, the same is paid in equal shares.

Receipt of two family pensions:

In case both the husband and wife are employees of our ban and in the event of death of both of them, the surviving eligible child be granted two family pensions subject to ceiling on the total amount of pension.

8. SUSPENSION Of FAMILY PENSION:

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 toreceive the family pension, shall remain suspended till the conclusion of the criminal proceedings institute against him.

b. If on the conclusion of the original proceedings referred to in clausethe person concerned.

(i) is convicted for the murder of 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 employees, the family pension shall be payable to such a person from the date of death of the employee.

c. The above provisions shall also apply for the family pension becoming payable on the death of an employee after his retirement.

NOTES ON FAMILY PENSION

NOTE: ceiling amount mentioned below stands deleted vide Government notifications f/1/12019 IR dated 25/8/2021

Family Pension is Payable

1. Where an employee deceases after completion of one year of continuous service or before completion of one year of continuous service who was examined by a medical officer approved by bank prior to appointment.

2. after retirement from service. Rate of Family Pension:

Family Pension is calculated based on the last pay drawn by the employee at the time of retirement (if died while In-service as at the time of death). This is the major difference. While Pension is calculated based on 10 months average employments, Family Pension is based on Last Pay Drawn. Rate of FP depends upon the period of retirement.

For Employees retired on or after 1.11.2017 the rate of FP is (other than part time employees) (Likewise for every period of BPS, the rate of FP will vary)

Amount of Family Pension p.m. is based on Scale of pay last drawn

Scale of Pay up to Up to Rs. 15,880 p.m-30 % of the ‘pay’ shall be the basic family pension. Minimum FP-Rs. 3,985/- per month.

Scale of Pay-Rs15881-Rs31760- 20% of Pay. Minimum-Rs 4,900/- p.m.

Scale of pay above -Rs31761-15% of Pay-Minimum Rs 6365/- p.m. and maximum Rs.13, 280/-p.m. Pay- Basic pay including Stagnation increment and all allowances counted for the purposes of making contribution to the Provident Fund.

Family Pension will commence from the date following the date of death of the employee/pensioner.

ENHANCED RATE OF FAMILY PENSION: Where the employee has completed 7 years of continuous service at the time of death family pension may be paid at 50% of last drawn or twice the ordinary rate of family pension whichever is less for a period of 7 years or till the deceased employee attains the age of 65 years had he survived.

PERIOD OF PAYMENT: The period for which the pension is payable is:

a) In case of widow/widower, up to the demise or re-marriage whichever is earlier.

b) In case of son, until he attains age of 25 or until he gets married whichever is earlier. c) In case of unmarried daughter, until she attains age of 25 years or until she gets married whichever is earlier.

d) The total income of the children should not exceed Rs. 2550/- per month and for parents wholly dependent on him should not exceed 2550/- provided he has left no widow/widower or child after him.

e) However, a son or daughter shall continue to get family pension if he or she suffers from any mental or physical disability irrespective of attaining 25 years of age

ORDER OF PAYMENT OF FAMILY PENSION: After the demise of the employee the family pension will be paid in the following order:

a) Widow or widower (if not remarried).

b) Children in order of birth. Youngest one will become eligible only if elder ones have become ineligible.

c) Disabled child will receive family pension for life, if nobody else is there.

Payment to twins and widows: It will be paid in equal shares in case of twins and to widows in case there is more than one.

Receipt of two-family pensions: In case of demise of both husband and wife who were employees of the bank, the child will get two family pensions subject to ceiling on the total amount of pension

REVISION IN PENSION FOR THE OFFICER EMPLOYEES AND WORKMEN STAFF EXITED ON OR AFTER, 01.11.2017, AS PER THE TERMS AND CONDITIONS OF THE JOINT / BIPARTITE SETTLEMENT DATED 11.11.2020.

Ref: i) IBA circular No CIR/HR& IRl2020-21/XI BPS/G2 dated 12.04.2021

Consequent upon wage revision, the pension, dearness relief, minimum pension etc. payable in respect of those employees who ceased to be in service on or after 01.11.2017 and are eligible for pension, need to be revised with merger of DR (6352 points)

Details of IBA circular is as under:

I) Pension

The basic pension will be revised on the basis of the revised pay wef 01,11.2017, minimum pension of employees other than part time employees will be Rs 3985/-

III) Dearness Relief

The dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 6352 points in the monthly average of All India Consumer price index for Industrial workers in the series 1960 = 100 at the rate of 0.07 percent per slab on the basic pension for pensioners and family pensioners.

IV) Minimum Pension for Part time Employees

In respect of Part time employees, who retired on or after 01.11.2017, the minimum pension payable shall be Rs 1335 p.m. in respect of part time employees drawing *1/3* scale wages, Rs 2000 p.m. in respect of part time employees drawing1/2 scale wages and Rs 3000 p.m. in respect of part time employees drawing *3/4* scale wages.

RECOVERY OF PECUNIARY LOSS CAUSED TO THE BANK:

The competent authority may withheld or withdraw a pension or a part hereof, whether permanently or far 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 for grave misconduct or negligence or criminal breach of trust of forgery or acts done fraudulently during the period of his service.

Provided that the Board shall be consulted before any final are passed.

Provided further that departmental proceedings, if instituted while the employee was in 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 had 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.

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,

RATES OF FAMILY PENSION:

FAMILY PENSION

Family pension of bank employees set at uniform rate 30% of last drawn salary WITHOUT ANY CEILING (F1/1/2019 25 August 2021 MOF Govt of India notification)

a. Note: Since amended in 11 bps Pension for Part-time Employees: With effect from 1st November 2012, for the purpose of calculating the amount of pension in respect of permanent part time employees in scale wages who are covered by the Pension Scheme, their actual service shall be reckoned for qualifying service and not pro rata. The actual service/qualifying service shall be calculated from the date of recruitment/appointment as permanent part time employee in scale wages or from 1st September 1978 whichever is later

b. Dearness relief is not payable on additional family pension.

c. Scale of pay for the purpose of calculation of family pension as above shall be the aggregate of 'Pay' = Basic Pay + PPA + Special Pay etc.,,

d. **PERIOD PAYABLE:**

1	Widow/Widower	Till the date of death or remarriage
2	Son	Till he attains 25 years.
3	Daughter	Till she' attains 25 years of age or till her marriagewhichever is earlier. For Life time.(but will be stopped if he or she starts earning livelihood.
4	Physicallyhandicapped/ mentally disabled /crippled children	For Life time.(but will be stopped if he or she startsearning livelihood
5	More than one child	1.payable in the order of birth Irrespective of male /female2. eldest will be paid first3. their he /she becomes ineligible next child will be paid
6	Children - Twins	Equally divided
7	To minor sons/anddaughter	Only through the guardian as he/she is minor except incase of physically crippled son or daughter who has attained the age of maturity
8	Husband and Wife· (both Bank employees)	If one dies while in service or after retirement, the familypension of the deceased will be paid to the surviving spouse. In the event of death of the surviving spouse, the surviving children will get both Family pensions.
9	For Seven years a) after date of death OR upto date employee would have attained 65 years.	SPECIAL RATES
	b) After 7 years,	ORDINARY RATES

NOTE:

1) More than one widow: To widows in equal shares. On her /their death to the eligible child subject to certain conditions as per civil service regulations.

2) Under Section 51 of Hindu Marriage Act, 1955, marriage cannot be legally solemnised when either party has a spouse living at the time of such marriage. In such cases second wife will not be entitled to family pension as legally wedded wife.

3) Where a female employee or male employee dies leaving behind a judicially separated husband or widow and no child or children, the family pension n in respect of the deceased shall be payable to the person surviving; provided that where in a case the judicial separation 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.

4.. 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.

5. 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.

6.. 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 or unmarried daughter directly.

7. If a person who, in the event of death of an employee while in service, is eligible to receive family pension under the regulations; is charged with the offence of murdering the employer 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; 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 the death of the employee;

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

8. The provisions of Para (above) shall also apply for the family pension becoming payable on the death of an employee after his retirement.

COMMUTATION

1. 1/3 of the basic pension can be commuted as lump sum.
2. If 1/3 is commuted then the pensioner will receive the balance 2/3 pension per month.
3. Commuted portion of pension will be restored after a period of 15 years from the date of commutation.
4. If commutation is sought after one year after date of retirement it will be granted after medical examination by a medical officer nominated by the Bank.
5. Employees retired between 1.1.86 and 1.11.93 are also eligible for commutation with effect from the date of their option after due medical examination.
6. Commutation is permitted in respect of superannuation pension, voluntary retirement pension, premature retirement pension, invalid pension and compassionate allowance. In case of invalid, compassionate allowance compulsory retirement commutation will become absolute on the date of medical certificate given by Bank's medical Officer.
7. For the purpose of commutation age on the next birthday will be reckoned with reference to the date on which the commutation will become absolute.
8. If a pensioner dies without receiving the commuted value on or after the date on which commutation become absolute, the commuted value shall, be paid to his nominees. If in any case the amount cannot be paid to the nominee of family members it shall be paid to his legal heirs.
9. Commuted amount = Fraction (Not exceeding 1/3 of Basic Pension)

i.e. 1/3 (Basic Pension) 'X 12 x Age factor.

FORMULA FOR CALCULATION OF BASIC PENSION

BASIC PENSION (B)

AVERAGE EMOLUMENTS /2

For employees above 33 years of service: full basic pension is payable

For employees retiring in normal course

After 10 years or more service

After 20 years

(For voluntary. Retirement

B x actual service/33

B x (s+5) (max. of 33)

2 x 33

if s+ 5 is greater than or equal to 33, then restricted to 33 (where 's' stands for service rendered).

TABLE

Commutation values for a pension of Re. One per annum					
	Commutation Value Expressed		Commutation Value Expressed as number of		Commutation Value Expressed
1	19.28	4	15.87	6	9.15
1	19.20	4	15.64	6	8.82
1	19.11	4	15.40	6	8.50
2	19.01	4	15.15	6	8.17
2	18.91	4	14.90	6	7.85
2	18.81	4	14.64	6	7.53
2	18.70	4	14.37	6	7.22
2	18.59	4	14.10	7	6.91
2	18.47	4	13.82	7	6.60
2	18.34	4	13.54	7	6.30
2	18.21	5	13.25	7	6.01
2	18.07	5	12.95	7	5.72
2	17.93	5	12.66	7	5.44
3	17.78	5	12.35	7	5.17
3	17.62	5	12.05	7	4.90
3	17.46	5	11.73	7	4.65
3	17.29	5	11.42	7	4.40
3	17.11	5	11.10	8	4.17
3	16.92	5	10.78	8	3.94
3	16.72	5	10.46	8	3.72
3	16.52	6	10.13	8	3.52
3	16.31	6	9.81	8	3.32
3	16.09	6	9.48	8	3.13

Note:-

The table above indicates the commuted value of pension expressed as number of years 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 is10.46 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 x 10.46 x 12 = Rs. 12.552"

(5) 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.

(6) An applicant who is authorised a superannuation pension or voluntary retirement pension or premature retirement pension or compulsory retirement pension or invalid pension or compassionate allowance shall be eligible to commute a: fraction of his pension under these regulations.

"Provided! that on and from 01.07.2003, in case of an applicant in whose case the commuted value of pension becomes payable on the day following the date of his retirement or from the date from which the commutation becomes absolute, the reduction in the amount of pension on account of commutation shall become operative from his inception. Where, however, payment of commuted value of pension could not be made within the first month after the date of retirement or within the first month after the date when the commutation becomes absolute as the case may be, the difference between the normal monthly pension and the commuted pension shall be paid for the period between the date on which the commutation becomes absolute and the date preceding the date on which the commuted value of pension is deemed to have been paid".

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:

Provided that in the case of an applicant who is in receipt of a provisional pension as in Regulation 46 and for whom pension in whole or in part on the finalisation of the departmental or judicial proceedings has been authorised, the period of one year referred to in this sub-regulation shall reckon from the date of issue of the orders consequent upon the finalisation of the departmental or judicial proceedings.

The revised Table of Commutation Value for pension

The revised Table of Commutation Value for pension, appended to these rules shall be used for all commutation of pension which becomes absolute from the 2nd September, 2008 and in the case of pensioners whose commutation of pension became absolute on or after 1st January, 2006 but before 2nd September, 2008, the pre revised Table of Commutation Value for Pension shall be used for payment of commutation of pension based on pre revised pay or pension and in respect of such pensioners, the revised Table of Commutation Value for Pension, appended to these rules shall be used for the commutation of additional amount of pension that has become commutable on account of retrospective revision of pay and pension (7th pay commission)

Calculation of Commutation Factor of Pension with Eligibility – Illustration

Every pensioner is eligible to commute a portion of his monthly pension for a lump sum payment which is the commuted value of that portion of pension. An employee or pensioner against whom departmental or judicial proceedings are pending is not eligible to commute a portion of his pension till completion of such proceedings.

Age*	Factor	Age*	Factor	Age*	Factor
20	9.188	41	9.075	62	8.093
21	9.187	42	9.059	63	7.982
22	9.186	43	9.040	64	7.862
23	9.185	44	9.019	65	7.731
24	9.184	45	8.996	66	7.591
25	9.183	46	8.971	67	7.431
26	9.182	47	8.943	68	7.262
27	9.180	48	8.913	69	7.083
28	9.178	49	8.881	70	6.897
29	9.176	50	8.846	71	6.703
30	9.173	51	8.808	72	6.502
31	9.169	52	8.768	73	6.296
32	9.164	53	8.724	74	6.085
33	9.159	54	8.678	75	5.872
34	9.152	55	8.627	76	5.657
35	9.145	56	8.572	77	5.443
36	9.136	57	8.512	78	5.229
37	9.126	58	8.446	79	5.018
38	9.116	59	8.371	80	4.812
39	9.103	60	8.287	81	4.611
40	9.090	61	8.194		

NOTE ON REDUCTION OF COMMUTATION PORTION OF BASIC PENSION, EVEN BEFORE PAYMENT.

Bank employees are entitled to Commute Pension to the maximum extent of1/3rd of Basic Pension in terms of regulation 41 of Bank Employees' Pension Regulations, 1995. Almost every retiree is commuting 1/3rd of Basic Pension, at the time of retirement. Commuted portion of Basic Pension is reduced from the Basic Pension for a period of 15 years from the date of Commutation. There is no controversy, if the Basic Pension remains unaltered. But, there is a controversy in case of Commutation of Pension in case of Pensioners, whose Basic Pension is revised at a later date on account of various reasons such as decision of the Courts, rectification of errors in calculation of Pension, Bipartite Settlement, etc. In all such cases, Banks are rightly calculating Commutation amount based on the Commutation factor applicable to the age of the retiree at the time of retirement. Commuted portion of increased Basic Pension is reduced from the date of retirement, even though the payment of Commuted amount is made subsequent to retirement in respect of cases where Basic Pension is revised on account of various reasons. In several cases, the gap between the date of retirement and date of actual payment of commuted amount is vast. In many cases, such periods exceed even fifteen years period.

What is the impact in such cases, where commuted amount is paid subsequently on account of revision in Pension consequent to decision of Courts or rectification of mistakes while calculating Pension or on account of Settlement. The Payment of pension in terms of Regulation 29(5) of Bank Employees' Pension Regulations, 1995 in terms of decision of Hon'ble Supreme Court of India in Bank of India &ors Vs. Mohandas & ors by duly adding service to the maximum extent of five years, is one such example, where pension is revised after a period of 8 ½ years after retirement. In respect of Vijaya Bank and Allahabad Bank, the delay is more than thirteen years. Retirees who are benefited by this Judgment or subsequent judgments in same controversy, got the commuted amount for the increase portion of basic pension calculated as on the date of retirement, but actually received the amount after a gap which is more than 8½ years. But, while calculating arrears, Banks reduced the Basic Pension by 1/3rd of the increased Basic Pension amount from the date of retirement instead of reducing from the date of payment of increased portion of Basic Pension. This has resulted in great loss for the retirees

What is Commutation of Pension ? Commutation of Pension means exchange of 1/3rd of Basic Pension payable over a period of fifteen years with a lump sum. Reduced portion is restored after a period of fifteen years from the date of Commutation. In financial terms, Commutation amount is the discounted amount or purchase price of 1/3rd of Basic Pension payable over a period of fifteen years. It is discounting future payments, but not discounting past payments.

There are three events in Commutation of pension – a) Applying for Commutation, b) Payment of Commutation amount and c) Restoration reduced portion of Basic Pension.

a) **Date of application of Commutation :** In respect of superannuation/ voluntary retirement Commutation becomes absolute on the date of retirement, even though application is submitted prior to retirement. Pension has the right to receive the commutation amount which is calculated based on his age as on next birthday.

b) **Payment of Commutation amount** : There is no controversy, if the Commutation amount is paid on or immediately after retirement. But, the pensioners are losing if the payment is made subsequent to retirement on account of revision in Basic Pension consequent to Court Orders, etc., after delay. Most Banks are reducing the commuted portion of increased amount of Basic Pension from the date of retirement, instead of one month from the date of payment of commuted amount. There are many cases where amount recovered on account of reduction of Basic Pension is much higher than the Commuted amount received later by the retiree.

c) **Restoration of reduced portion of Basic Pension:** It is immediately after fifteen years after receipt of commutation.

This controversy is on account of misunderstanding of the word 'Commutation'.

'Commutation' is a process, which begins with application for 'Commutation' and concludes with payment of Commuted amount. Banks are not entitled to reduce 1/3rd of till this process is complete. Whenever, a part amount is paid after a period of time on account of any reason, 'Commutable portion' can be reduced only after payment of such benefit, i.e. completion of entire process of'Commutation of pension', not before. Reduction of commuted portion of Basic pension, even before payment of pension, is erroneous.

How to remove this anomaly ?

Notes (2) to the table provided in Regulation 41 clearly states that reduced amount is restored after fifteen years after commutation. Which means, reduction commences from the date of commutation. Commutation also means actual date of payment and it is neither date of retirement nor date of application. If applied earlier, Commutation becomes absolute on the date of retirement. The retiree is eligible to receive full amount of commutation on the date of retirement. In respect of cases, the delay in payment is on account of omission & commission by the Bank, retiree cannot be penalised.

Regulation 56 of Bank Employees Pension Regulations, 1995 provides for reference to corresponding provisions of Central Civil Commutation of Pension Rules, in case of doubt. Since, Regulation 41 does not explicitly provide for payment of Commutation and reduction thereof, in case of payment of a portion of Commutation on account of upward revision of Pension for any reason, there is a need to refer to Rule 5, 6 and 10 of Central Civil

Commutation of Pension Rules, 1972. These documents/Rules and Regulations make it abundantly clear that these Pensioners are entitled to differential Commutation calculated taking into account age as on next Birthday at the time of retirement and reduction for a period of fifteen years, from the pension of the month in which Commutation amount is paid.

Indian Banks' Association, vide Cir No.HR&IR/KU/2015-16/G2/1506 dated17/10/2015, quoting the Judgment of Hon'ble High Court of Punjab & Haryana at Chandigarh, has advised members Banks that : 'Regulation 56 deals with a situation where doubt arises in the matter of application of the Pension Scheme and mandates to clear that doubt by referring to Central Civil Services Rules,1972 or Central Civil Services (Commutation of Pension) Rules, 1981 applicable for .. Further, Indian Banks' Association has also informed Shri K Srinivasan, President of SBT Retirees' Association that deduction of Commuted portion of Pension for a period of 15 years after such payment, vide PD/GSN/MISC/G2/486 dated 28/07/2001. Copies of these Circular and letter are annexed. Since, treatment of Commutation of a portion of Pension later, on account of various reasons/orders/bipartite settlements, etc., is not covered explicitly in Regulation41 of Bank Employees' Pension Regulations, 1995, clearing the doubts by referring to corresponding Rules of Central Civil Services (Commutation of Pension) Rules, 1981 is mandated in terms of Regulation 56 of Bank Employees' Pension Regulations, 1995. Application of Regulation 56 is also confirmed/clarified by Hon'ble High Court of Punjab & Haryana at Chandigarh.

Therefore, Rule 6 (1) b, 6 (2), 10, 10(A) and 13 of Central Civil Services (Commutation of Pension) Rules, 1981 read with Regulation 56 of Bank Employees' Pension Regulations, 1995 clearly provides for reduction of commutation portion commences only after payment, but not before. Further, period of one year applicable for Medical Examination commences from the date of order payment of Pension/Commutation. Said Rules are extracted, hereunder :6 (1) The commutation of pension shall become absolute in the case of an applicant referred to. Provided that -

(a) in the case of an applicant who is drawing pension from a branch of a nationalized bank, the reduction in the amount of pension on account of commutation shall be operative from the date on which the commuted value of pension is credited by the bank to the applicant's account to which pension is being credited. . .

(b) In the case of an applicant referred to in Rule 9 or Rule 10, the commuted value is paid in two or more stages, the reduction in the amount of pension shall be made from the respective dates of the payments as laid down in Clause (a) or Clause (b) of the proviso to sub-rule (1).

c) Retrospective revision of final pension - An applicant who has commuted a percentage of his final pension and after commutation his pension has been revised and enhanced retrospectively as a result of Government's decision, the applicant shall be paid the difference between the commuted value determined with reference to enhanced pension and the commuted value already authorized. For the payment of difference the applicant shall not be required to apply afresh : Provided that in the case of an applicant who has commuted a percentage of his original pension not exceeding rupees six thousand after being declared fit by a Civil Surgeon or a District Medical Officer and as a result of retrospective enhancement of pension, he becomes eligible to commute an amount exceeding six thousand rupees per mensem, he shall be allowed the difference between the commuted value of six thousand rupees per mensem and the commuted value of the percentage of the original pension without further medical examination. The commutation of any further amount beyond rupees six thousand per mensem shall be treated as fresh commutation and allowed subject to examination by a Medical Board.

Restoration of Commuted Pension –

"The commuted amount of pension shall be restored on completion of fifteen years from the date the reduction of pension on account of commutation becomes operative in accordance with rule 6:

Provided that when the commutation amount was paid on more than one occasion on account of upward revision of pension, the respective commuted amount of pension shall be restored on completion of fifteen years from the respective date(s)"

Application for commutation of pension –

(1) An applicant, who is in receipt of any pension referred to in Rule 12 and desires to commute a percentage of

that pension any time after the date following the date of his retirement from service but before the expiry of one year from the date of retirement, shall (a) apply to the Head of Office in Form 1 after the date of his retirement ;

(b) ensure that the application in Form 1, duly completed , is delivered to the Head of Office as early as possible but not later one year of the date of his retirement :

Provided that in the case of an applicant –

(a) referred to in Clause (iii) of Rule 12, where order retiring him from Government service had been issued from a retrospective date, the period of one year referred to in this sub-rule shall reckon from the date of issue of the retirement orders

(b) Referred to in Clause (v) of Rule 12, the period of one year referred to in this sub-rule shall reckon from the date of the issue of the orders consequent on the finalization of the departmental or judicial proceedings.

Office Memorandum No.38/79/2008/P&PW(G) dated 16/2/2009 by Ministry of Personnel and Pensioners' Welfare clearly provides for application of Commutation Factor as applicable on the date of retirement. This also clarifies again regarding recovery for a period of fifteen years from the month in which the commutation is paid.

FAQs on Commutation of Pension as available in FAQs on Central Civil Pension in website http://pensionersportal.gov.in/FAQ_Civil.pdf, clearly provide for :

a. Commutation Factor as applicable on the date of retirement ;
b. Reduction of Basic Pension, with effect from the date of credit of capital amount of commutation to Bank account, if it is not paid within one month of retirement.

With these provisions, every retiree whose Basic Pension is increased subsequent to retirement on account of various reasons, such as decision of Courts, Errors in calculations, sanction of increments/revision in pay, revision in pay on account of Bipartite Settlements, is entitled to receive commutation amount reduced from the pension/arrears paid between date of retirement and date of payment of commutation amount.

GENERAL ONDITIONS

As per cl42 of B.P.R 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.

As per cl43of B.P.R

With holding 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 for a serious crime or criminal breach of trust or forgery or acting fraudulently or is found guilty of grave misconduct:

Provided that where a part of pension is withheld or withdrawn, the amount of such pension shall not reduce below the minimum pension per mensem payable under these regulations.

Cl 44. Of B.P.R 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 judgment of the court relating to such conviction.

CL 45. B.P.R

Pensioner guilty of grave misconduct:-

In a case not falling under regulation 44 the competent Authority considers that the pensioner is prima facie of grave misconduct, it shall, before passing an order, follow the procedure specified in the Indian Officers employee (disciple and Appeal) Regulation, 1976 or in Settlement as the case may be.

CL 46. B.P.R

Provisional Pension:-

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

(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 interest 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 Indian Penal Code, 1860 (45 of 1860).

CL47.of BPR 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 or instituted after the date of 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.

Cl 48. of BPR 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 for 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 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:

Provided also that the 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 had continued in service.*

(2) No departmental proceedings, if not instituted while the employee was in service, shall be instituted in respect of an event which took place more than four years before such institution:

Provided that the disciplinary proceedings so instituted shall be in accordance with the procedure applicable to disciplinary proceedings in relation to the employee during the period of his service.

(3) 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."

Cl 49 of BPR

Recovery of Bank's dues:-

The Bank shall be entitled to recover the dues to the Bank on account of housing loans, advances. licence 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.

* Amended vide Notification No. 11 dated 11.01.2018

Cl 50 of BPR

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 one year * from the date of his retirement, he shall obtain the previous sanction of the Bank to such acceptance:

*** Amended vide Notification No. 35 dated 30.08.2014**

(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) Where 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 removed or complete information has been furnished by the applicant.

(5) Where 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 cancelling 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 one year * 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:

*** Amended vide Notification No. 35 dated 30.08.2014**

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.

CL51. of BPR 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 34 or 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. Provided that pension including family pension to those who opted to join the Bank Employees' Pension Scheme on or after the 27th April, 2010 shall be payable with effect from the 27th November, 2009. *

* Amended vide Notification No. 11 dated 11.01.2018

Cl 53.of BPR

Currency in which pension is payable:-

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

Cl 54 of BPR.

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.

Cl 55. of BPR.

Power to issue instructions:

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

following month.

Cl 56. of BPR.

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 – I (See Regulation 35)

1.The formula for updating basic pension and additional pension in respect of employees who retired during the period 01.01.1986 to 31.10.1987 shall be as under:

(1) A	(a)	50 per cent of first Rs.1,000 of the average	Rs.
	(b)	45 per cent of next Rs.500	Rs.

	(c)	40 per cent of the average emoluments	Rs.1500
		Rs. Total of (a+b+c)	Rs. (A)
B		50 per cent of the average monthly emolumentsfor the last 10 months in service prior to retirement	Rs. (B)
C		Dearness Relief at index number 600 in the AllIndia Average Consumer Price Index for Industrial Workers in the series 1960=100 on basic pension calculated at (A) above, as per Table given below	Rs. (C)
D		Total basic pension = (B) + (C) x Number ofyears of qualifying service 33 (Maximum of 33Years)	Rs. (D)
E		Basic pension as on 01.11.1993 (Rounded off tothe next higher rupee)	Rs. (E)

(2) Special allowances to the extent of the amount ranking for making contributions to the Provident Fund in terms of the Bi-partite Settlement dated 10th April, 1989 or Officers' Service Regulations. as the case may be. corresponding to the special allowances drawn at the time of retirement shall be reckoned for the purpose of additional pension.

TABLE

Rates of dearness relief worked out at index number 600 in the All India Average Consumer Price Index for Industrial Workers in the Series 1960=100 for all classes of employees who retired during the period 01.01.1986 to 31.10.1987:

(a)	Employees in subordinate staff cadre	80.40 per cent of pensioncalculated at A above.
(b)	Employees in clerical staff cadredrawing pension up to Rs.756/- per month	67 per cent of pension drawingpension calculated at A above.

(a) Employees in clerical staff cadre drawing pension up to Rs.756/- per month

67 per cent of pension drawing pension calculated at A above.

Amount of basic pension drawn per month Rs.	The amount of dearness relief admissible Rs.
757 - 796	508
797 – 804	534
805 – 824	540
825 – 844	553
845 – 864	567
865 – 884	580
885 – 904	593
905 – 924	607
925 – 944	620
945 – 964	634
965 – 984	647
985 – 1004	660
1005 – 1024	674
1025 – 1044	687
1045 – 1064	701
1065 – 1084	714
1085 & above	727

(d) Employees in officer//workmen cadre shall be eligible for dearness relief as under:

For those drawing basic pension upto Rs.765/- per month	66 per cent of the amount of pension calculated at A above subject to a maximum of Rs.500/-
For those drawing basic pension from Rs.766/- to Rs. 1165/- per month	Rs. 500
For those drawing basic pension of Rs. 1166/- per month or above	42.90 per cent of amount of pension calculated as at A above subject to a Maximum of Rs. 715/-

2.The formula for updating basic pension in respect of workmen who have retired on or after the 1st day of November, 1992 but before the 1st day of September, 1993 and in respect of Officers who have retired on or after the 1st day of July, 1993 but before the 1st day of May, 1994 shall be as under:

(1) Total of pay drawn as per the old scales for the month/s during the last 10 months of qualifying service.	Rs. _________
(2) Total of dearness allowance actually drawn or dearness allowance at 1148 points, whichever is less, for each month of pay calculated as (1) above	Rs. _________
(3) Total of pay drawn as per (1) above plus total of dearness allowance drawn as per (2) above	Rs. _________
(4) Total of pay drawn as per revised scales of pay for the month/s during the last 10 months of qualifying service including the month in which the employee retired.	Rs. _________
(5) Total of columns (3) and (4)	Rs. _________
(6) Average emoluments for the purpose of pension i.e. Total as per (5) above / 10	Rs. _________
(7) Updating basic pension 50% of (6) above X Number of years of qualifying service (Max. 33 years) / 33	Rs. _________
(8) Basic Pension (Rounded off to next higher rupee)	Rs. _________

3.In respect of workmen who have retired on or after the 1st day of November, 1992 but before the 1st day of November, 1994 and in respect of officers who have retired on or after the 1st day of July, 1993 but before the 1st day of November,1994, the amount of special allowances in terms of Bi-partite Settlement dated 14th February, 1995 or the Officers' Service Regulations, as the case may be, corresponding to the special allowances actually drawn at the time of retirement shall be reckoned for the purpose of computation of additional pension, w.e.f..1st November, 1994:

Provided that for the period from 1st day of November, 1992 or from the date of retirement, whichever is later, till the 31st day of October, 1994 the amount ranking for provident fund at pre-revised rates shall be reckoned for the purpose of computation of additional pension.

4. In respect of employees who have retired on or after the 1st day of November, 1994 and have drawn special allowance both at the pre-revised and revised rates during the last 10 months of service before retirement, the amount of special allowance in terms of the Bi- partite Settlement dated 14th February, 1995 or the Officers' Service Regulations, as the case may be, corresponding to the pre-revised special allowance actually drawn at the time of retirement shall be reckoned for the purpose of computation of additional pension.

Note:

The amount of revised special allowance drawn on or after the 1st day of November, 1994 shall be reckoned for computation of basic pension.

5. In respect of subordinate staff who have retired on or after the 1st day of November, 1992 and have drawn pre-revised special allowance as also those who have retired on or after the 1st day of November, 1994 and have drawn special allowance both at the pre-revised and revised rates during the last ten months of service before retirement, the amount of special allowance actually drawn at the pre-revised rates shall be reckoned for the purpose of computation of basic pension and shall draw dearness relief at the rates for every rise or fall of 4 points over 600 points in the quarterly average of All India Consumer Price Index for Industrial workers in the series 1960=100.

Appendix II
(See regulation 37)
Dearness relief on basic pension shall be as under:

(1) In the case of employees who were in the workmen cadre and who retired on or after 1st day of January, 1986, but before the 1st day of November, 1992; and in the case of employees who were in the officers' cadre and who retired on or after 1st day of January, 1986, but before the 1st day of July, 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 permonth	The rate of dearness relief as apercentage of basic pension
(i) Upto Rs1250/-	0.67 per cent
(ii) Rs.1251 to Rs.2000	0.67 per cent of Rs.1250 plus 0.55 percent of basic pension in excess of Rs.1250
(iii) Rs.2001 to Rs.2130	0.67 per cent of Rs.1250 plus 0.55 percent of the difference between Rs.2000 and Rs.1250 plus 0.33 per cent of basicpension in excess of Rs.2000.
(iv) Above Rs.2130	0.67 per cent of Rs.1250 plus 0.55 percent 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 inexcess of Rs.2130.

(2) In the case of employees who are in workmen cadre and who retire on or after 1st day of November, 1992; and in the case of employees who are in the officers' cadre and who retire on or after 1st day of July, 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 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 per month	The rate of dearness relief as a percentage of basic pension
(i) Upto Rs. 2400/-	0.35 per cent
(ii) Rs.2401 to Rs.3850	0.35 per cent of Rs.2400 plus 0.29 per cent ofbasic pension in excess of Rs. 2400
(iii) Rs.3851 to Rs.4100	0.35 per cent of Rs.2400 plus 0.29 per cent ofthe 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 ofthe 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) In the case of employees who retire on or after the 1st day of April, 1998, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be. of every 4 points over 1616 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 or every said four points shall be calculated in the manner given below:

Scale of basic pension per month	The rate of dearness relief as a percentage of basic pension
(i) Upto Rs. 3380	0.25 per cent
(ii) Rs.3381 to	0.25 per cent of Rs.3380 plus 0.21 per cent of basic pension
(iii) Rs.5421 toRs.5770	0.25 per cent of Rs.3380 plus 0.21 per cent of the differencebetween Rs.5420 and Rs.3380 plus 0.12 per cent of basicpension in excess of Rs.5420.
(iv) Above Rs.5770	0.25 per cent of Rs.3380 plus 0.21 per cent of the difference between Rs.5420 and Rs.3380 plus 0.12 per cent of the difference between Rs.5770 and Rs.5420 plus 0.06 per cent of

Provided that in the case of employees who retire on or after the 1st day of April 1998 but on or before the 31st October 2002, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 1684 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or dearness relief

for every said 4 points shall be calculated in the manner given below:*

Scale of basic pension per month	The rate of dearness relief as a percentage of basic pension
(i) Upto Rs. 3520	0.24 per cent
(ii) Rs.3521 to Rs.5650	0.24 per cent of Rs.3550 plus 0.20 percent basic pension in excess of Rs.3550
(iii) Rs.5651 to Rs.6010	0.24 per cent of Rs.3550 plus 0.20 per cent of the difference between Rs.5650 and Rs.3550 plus 0.12 of basic pension inexcess of Rs.5650
(iv) Above Rs.6010	0.24 per cent of Rs.3550 plus 0.20 per cent of the difference between Rs.5650 and Rs.3550) plus 0.12 per cent of the difference between Rs.6010 and Rs.5650 plus 0.06 per cent of basic pension in excess of Rs.6010

(4) In respect of employees who retire on or after the 1st day of May, 2005, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 2288 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 4 points shall be calculated at the rate of 0.18 per cent of basic pension:*

Provided that on and from the 1st day of May 2005, in respect of employees who retired on or after 1st day of November 2002 but on or before 30th day of April 2005, dearness relief shall be payable in terms of this clause:*

Provided further that in respect of employees who retired on or after the 1st day of November 2007, Dearness Relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 2836 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 4 points shall be calculated at the rate of 0.15 per cent of basic pension.*

Amended vide Notification No. 11 dated 11.01.2018

(5) 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 the 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.

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

(7) Dearness relief will be allowed on full basic pension even after commutation. (8) Dearness relief is not payable on additional pension.

(9) Pensioner whose, basic pension is less than minimum pension but the aggregate of basic pension and additional pension is more than the minimum pension shall draw dearness relief as applicable to minimum 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, where the employee was in the workmen cadre and retired before the 1st day of November, 1992 or where the employee was in the officers' cadre and retired before the 1st day of July, 1993:-

Scale of pay per month	Amount of monthly Family Pension
Upto 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 dearness allowance shall be the additional family pension. The aggregate of basic and 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 pensionplus 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 not more than Rs.1250 per month.

(b) In respect of employees other than part-time employees, where the employee was in the workmen cadre and retired on or after the 1st day of November, 1992 or where the employee was in the officers' cadre and retired on or after the 1st day of July 1993:-

Scale of pay per month	Amount of monthly Family Pension
Upto Rs.2870	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 be subject to a minimum of Rs.720per month.
Rs.2871 to Rs.5740	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 dearness allowance shall be the additional family pension. The aggregate of ba-

	sic and additional family pension shall be subject to a minimum of Rs.860 permonth.
Above Rs.5740	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 be subject to a minimum of Rs.1150 per month and a maximum of Rs.2400 per month.

(c) In respect of employees (both officers and workmen) other than part-time employees retiring on or after the 1st day of April, 1998: -

Scale of pay per month	**Amount of monthly Family Pension**
Upto Rs.4040	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.1015 per month.
Rs.4041 to Rs.8080	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 dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs.1212 permonth.
Above Rs.8080	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.1616 per month and not more than Rs.3378 per month.

Provided that on and from the 1st day of May, 2005 in respect of the employees (both officers and workmen), other than part time employees, who retired on or after the 1st day of April 1998 but on or before the 31st day of October, 2002, the ordinary rate of family pension shall be as under:- *

Scale of pay per month	**Amount of monthly Family Pension**
Up to Rs.4210	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 be subject to a minimum of Rs.1056 p.m.
Rs.4211 to Rs.8420	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. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.1262 p.m.

Above Rs.8420	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 be subject to a minimum of Rs.1687 p.m. and a maximum of Rs.3521 p.m.

(d) In respect of employees (both officers and workmen) other than part-time employees retiring on or after the 1st day of the May 2005:- *

Scale of pay per month	Amount of monthly Family Pension
Upto Rs.5720	30 per cent of the Pay shall be the basic family pension plus 30 per cent of allowance which are counted for making contribution 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.1435 p.m.
Rs.5721 to Rs.11440	20 per cent of the Pay shall be basic family pension plus 20 per cent of allowance 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 minimum of Rs.1715 p.m.
Above Rs.11440	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 the dearness allowance, shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.2292 p.m. and maximum of Rs.4784 p.m.

Provided that on and from the 1st day of May 2005, in respect of employees who retired on or after the 1st day of November 2002 but on or before the 30th April 2005, ordinary rates of family pension shall be in terms of this clause. *

(e) In respect of employees (both officers and workmen) other than part-time employees retiring on or after the 1st day of November 2007:-*

Scale of pay per month	Amount of monthly Family Pension
Upto Rs.7090	30 per cent of the Pay shall be the basic family pension plus 30 per cent of allowance which are counted for making contribution 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.1779 p.m.
Rs.7091 to Rs.14180	20 per cent of the Pay shall be basic family pension plus 20 per cent of allowance 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 minimum of Rs.2186 p.m.

Above Rs.14180	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 the dearness allowance, shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.2841 p.m. and maximum of Rs.5930 p.m.

***Amended vide Notification No. 11 dated 11.01.2018**

Notes:-

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

(2) of pay for the purpose of calculation of family pension as above shall be the aggregate of 'Pay' as defined in clause (s) of regulation 2 and "allowances" as defined in the explanation to sub-regulation (3) of regulation 35.

(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.

(4) In case the aggregate of basic family pension and additional family pension falls short of minimum pension the pensioner may be given minimum family pension and dearness relief may be paid on such minimum family pension. However, no additional family pension shall be payable over and above the minimum family pension.

Appendix IV

(See regulation 27)

Actual service on scale wages rendered on permanent part-time basis on one week (1)	**Length of corresponding qualifyingservice for each year of service rendered on permanent part-time basis for calculating the amount of pension** (2)
Six hours or more but upto 13 hours	One third of a year
More than 13 hours upto 19 hours	One half of a year
More than 19 hours but upto 29 hours	Three fourth of a year
More than 29 hours	One year

Appendix V

(See regulation 39)

The formula for computing basic family pension and additional family pension in respect of employees who were in the service of the Bank on or after the 1st day of January, 1986 and had died while in service on or before the 31st day of October, 1987 or had retired on or before the 31st day of October, 1987 but died shall be as under:

(1) Basic Family Pension

(A) Pay drawn by the deceased employee at the time of death/ retirement Rs.

(B) Basic family pension at the ordinary rate as per Table given below Rs

(C) Dearness Relief at index 600 in the All India Average Rs.

Consumer Price Index for Industrial Workers in the series

1960=100 as per Table I given in Appendix-I on basic family pension calculated at (B) above.

(D) Updated basic family pension i.e., (B) + (C) Rs.

(E) Updated basic family pension as per (D) above (rounded off to Rs. next higher rupee)

(F) Basic family pension at one and half times or twice the updated Rs. basic family pension as the case may be of (D) above (rounded off to next higher rupee)

(2) Additional Family Pension

Special allowance to the extent of the amount ranking for making contributions to the Provident Fund in terms of the Bi-partite Settlement dt. 10.04.1989/Officers' Service Regulations corresponding to the special allowance drawn before retirement/death shall be reckoned for the purpose of additional family pension.

Note :1

FORMAT FOR PENSION CALCULATION FOR RETIREES AFTER 1.11.93

1) Name

Date of Birth Date of Joining

Date of Retirement

Total Services Say (A)

2) (Amount Eligible for Basic Pension) (Average of last 10 months)

a) Basic Pay

b) Stagnation increment c) PPA Allowance

d) Special pay

TOTAL Say (B)

3) BASIC PENSION Say (C) 50% OF 'B' x (A/33)

4) COMMUTATION 1/3 B x C x 12 x Age factor)

5) a) Balance Basic pension 2/3 after commutation

b) DA on full Basic Pension DA on (C)

TOTAL PENSION

Chapter 3

MISCELLANEOUS CLARIFICATIONS:

1. Compassionate appointment and payment of pension are different concepts. Pension is payable as per rules even in case of compassionate appointment,
2. Leave encashment is eligible on Voluntary retirement.
3. Since every bank does not have its appointed medical officer a provision Is being made for examination by a medical officer to be nominated by the Bank.
4. Competent authority for the purpose of receipt of application for commutation should be the Branch Manager or department head. For other purposes competent authority will be designated by the Banks Board.

1. Preamble:

We refer to the above and it has been decided to obtain declaration from the staff members who have opted for PENSION furnishing particulars about spouse to obviate difficulty in obtention of documents to establish entitlement of family pension.

2. Operational Instructions:

2.1 The format is meant for MARRIED PENSION OPTEES only and the required particulars about spouse should be filled up in BLACK INK without omitting any column.

2.2 In the column specified for joint photograph,. A recently taken joint photograph of the staff and spouse as per size specified should be pasted in the format. The photograph should be taken only with the spouse and not with the any other members of their family.

3. The Branch Manager/Department Head should attest the joint photograph as also the signatures of the staff member and spouse in the appropriate Columns with seal/stamp
4. The format is NOT to be filled up by the unmarried pension optees and this may be submitted after they get married.
5. The Branch Manager Department Head should ensure that no columns left blank.
6. They should also ensure that the format is submitted by PENSION OPTEES only by verifying their latest P.F statement wherein it is clearly mentioned if the staff member is a Pension Optee or PF Optee.
7. Under any circumstances, the Branch Manager/Department Head should not obtain/forward the forms of PF Optees.
8. In case of Ex-servicemen pension optees, as per IBA's guidelines; their spouse is eligible for family pension either from Defence or from Bank. Hence while submission of the format they should take a decision to draw family pension for their spouse either from Defence or from Bank. In case, they decide to draw Family pension for their spouse from our Bank, they should obtain a certificate from Defence authorities (Record Office) that NO family pension will be sanctioned from their end and forward the certificate along with this format. If they decide to draw family pension for their spouse from Defence, they need not submit this format.
9. The branch should collect all the formats from all the PENSION OPTEES attached to their branch as per the above guidelines and arrange to forward in one lot and NOT on piece meal basis to the following address in a separate cover:-

   The Senior Manager - I line Indian Overseas Bank - Central Office PAD - Pension Cell 762 Anna Salai, Chennai 600002.
10. The format is available in the ONLINE also for the requirements of branches

11. Since it is a permanent record, the branch should forward the same to Pension Cell without folding the same. We reiterate that the format is meant only for married PENSION OPTEES and the Ex-servicemen pension optees should go through the instructions given in the circular point 2.8.

THE FORMATS SHOULD BE SUBMITTED

The Assistant General Manager, Indian Overseas Bank ,PAD Pension cell ,Central Office Chennai-3

Details of Family member as on -……………..

Joint Photo with spouse to be attested by Branch:Manager / Dept. (TO be filled by Pension Optees only using BLACK INK)

Roll No.

Ex-Serviceman:- Yes / No

1. Name of the employee:-

2. Designation:-

3. Presently Attached:-

4. Date of Birth:-

5. Date of Appointment:- Name of the spouse.

Date of birth of spouse

I hereby give above the details of my spouse in order to receive Family pension under the Indian Overseas Bank (Employees') pension Regulations, 1995. I hereby undertake that the information given by me is true and correct.

Signature /LTI of Employee:- Signature /LTI of

Spouse:- Branch Manager/Dept. Attestation:-

I hereby certify that the above particulars given by the employee is true 'and also attested the signature of both employee 'and spouse of the employee.

Seal: -

Signature of Branch Manager/Dept. Head

Date: - S.S.No.:-

INDIAN OVER.SEAS BANK(EMPLOYEES'} PENSION REGULATIONS 1995

AMENDMENT TO Regulation 2(S)(b) and 41(6) Ref. N0.EST 33/2004-2005

Date: Preamble: 04.06.2004

We' have amended the above regulation as detailed below in terms of the banking companies (Acquisition and Transfer of Undertakings) Act 1970, with approval of the Board of Directors in the meeting held on 30th March 2004.

Existing Regulation: 2(s) "Pay "includes,-

(b) in relation to a workman who retired or died while in service on or after the

1st day of November, 1992 and in relation of an officer who retired or died while in service on or after the 1st day of July, 1993,

iv) Deleted - Amended

Regulation: 2(s) "Pay" includes,(b) in relation to a workman who retired or died while in service on or after the1st day of November, 1992 and in relation to an officer who retired or died while in service on or after the 1st day of July, 1993

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

Not existed

1st day of July, 1993,- Amended

An applicant who is authorised a superannuation, pension of voluntary retirement pension or invalid pension or compassionate allowance shall be eligible to commute a fraction of his pension under these regulations; Provided that on and from01.07.2003, in case of an applicant in whose case the commuted value of pension becomes payable on the day following the date of his retirement or from the date from which the commutation becomes absolute, the reduction in the amount of pension on account of commutation shall become operative from the inception. Where, however, payment of commuted value pension could not be made within first month after the date of retirement or the date when the commuted value of pension becomes absolute as the case may be and date preceding the date on which commuted value of pension is deemed to have been paid".

Operational Instructions:

The above amendment to Indian Overseas Bank (Employees') Pension Regulation, 1995 may brought to the notice of the staff members.

CREDIT OF PENSION TO JOINT BANK ACCOUNT OPERATED BY A PENSIONER WITH HIS/ HER SPOUSE

TRANSIENT SERIES(FILE 7F) CIRCULAR NO.30 of 2006-2007 DATED 02.06.2006

Branches are aware that as per the existing guidelines, pensioners of our bank are allowed to draw pension through savings bank coconut operated individually by the pensioner with his /her spouse in whose favour an authorisation for family pension exists.

This facility may be extended to existing pensioners as also those retiring hereinafter if they desire to get their pension credited to a joint account. To avail this facility, the pensioner and his/spouse have to jointly submit an application to the branch from where they are presently drawing pension In the format enclosed. This form has to signed by both the pensioner and his/her spouse.in token of having accepted the terms and conditions laid down for this purpose. On completion of these formalities, the existing account in the individual name of the pensioner may be converted into joint account. The joint account of the pensioner with the spouse could be operated either by 'Former or survivor or 'Either or Survivor' basis, subject to the following terms and conditions.

a. Once pension has been credited to a pensioner's bank account, the liability of the Government/ Bank ceases. No further liability arises, even if the spouse wrongly draws the amount.

b. As pension is payable only during the life of a pensioner, his/her death shall be intimated to the bank at the earliest and in any case within one month of the demise, so that the bank does not continue crediting monthly pension to the joint account with the spouse, after the death of the pensioner. If, however, any amount has been wrongly credited to the joint account, it shall be recoverable form the joint account and/or any other account held by the pensioner/spouse either individually or jointly. The legal heirs, successors, executors etc. shall also be liable to refund any amount, which has been wrongly credited to the joint account.

c. Payment of arrears of pension (Nomination) Rules 1983 would continue to be applicable to a joint account with the pensioner's spouse. This implies that if there is an' 'accepted nomination' in accordance with these rules, arrears mentioned in the Rules shall be payable to the nominee.

This facility can be extended to accounts of pensioners only and NOT for accounts of family pensioners. Moreover, extension of this facility makes periodical obtention of life certificates from pensioners vital. In this context, we reemphasise that it will be the responsibility of the branch management to ensure that, Life certificates are obtained well within the prescribed time schedule with a view to ensuring that payment of pension is stopped forthwith on receipt of information about death of pensioner.

To bring the extension of this facility to the knowledge of existing pensioners, and enable them avail this facility, a copy of this circular may be displayed on the branch notice board.

LEAVE ENCASHMENT TO EMPLOYEES WHO SEEK VOLUNTARY RETIREMENT.

IBA CLARIFICATION No. PD/CIR/ 76/G (ii)/ 296 Date: 31, 1996

We have taken up the matter with the Government of India. The Government has since clarified that in terms of Regulation 38 of the Officers' Service Regulations, officer employees who seek voluntary retire under regulation 38 officers' service regulations, and officer employees who seek voluntary retirement under pension regulations on or after 111-1993 may also be permitted encashment of leave.

In view of the above, similarly workmen, who seek voluntary retirement under pension Regulations on or after 1 st November, 1993 may also be permitted. Encashment of leave to the extent as provided in Clause 8 and Clause 9 of the Bipartite Settlement dated 29th June, 1990.

Clarification received from Indian Banks' Association (IBA)

Annual Encashment of Privilege Leave In terms of 8th Joint Note / 11th Bipartite Settlement dated 11.11.2020 - As per the clarification received from Indian Banks' Association (IBA)

The 8th Joint Note dated 11.11.2020 in the matter of salary revision and other issues concerning service conditions for officers in Bank was signed between Indian Banks' Association (IBA) and Officers' Associations on 11.11.2020. Similarly, the 11th Bipartite Settlement (BPS)dated 11.11.~020 on wage revision and other service conditions was also signed between Indian Banks' Association (IBA) and Workmen Unions on 11-11-2020

In the above settlements, a new feature in the form of Annual Encashment of Privilege Leave was introduced. IBA has issued a letter to member banks under ref no. HR&IR/MBR/XIBPS/9940 dated 25:05.2021 from IBA vide which the said facility has now been extended to the retirees who have retired after 01.01.2020.

in view of the above, it has now been decided as under:

All those retirees who have retired from Bank's service after 1-01-2020 and on or before 30.11.2020 and were having PL balance of more than 240 days at the time of Retirement may now encash PL up to A maximum of 7days, as under:

l. The claim shall have to be applied in HRMD only As per the following path following path

HRMD >> Retiree corner >> Annual PL Encash

2, the last date of Application in HRMD Is 18.06.2021 3. Thereafter, the corresponding eligible amount shall be credited to the respective accounts centrally.

PAYMENT OF PENSION TO RETIREES SETTLED OUTSIDE INDIA PD/CIR/76(G(ii) September 5,1996

In terms of regulation 53 of Bank (Employees) pension Regulations, 1995, all pensions- admissible under the regulations shall be payable in rupees in India only.

The Government has since conveyed its approval to the proposal of the IBA. Procedure laid down in Central treasury Rules, volume 1 (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 net 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".

CALCULATION OF EMOLUMENTS NO.PO/GSN/28/G (ii)/869 August 20, 1997.

We have to advise that the calculation of 'emoluments' for fractions of months should be made by reckoning a month as consisting of 30 days irrespective of whether the particular month consists of30 days or 31 days or 28/29 days.

UPON REMARRIAGE BY AN EMPLOYEE No.PO /GSN / 2,8/GOI)/ 990 September 16, 1997'

We have to advise that upon remarriage by the employee after divorce the spouse from the first marriage ceases to be an eligible member for family pension and only the spouse after remarriage Will be eligible for family pension upon death of the employee either while in service or after retirement. As regards payment of family pension to child/ children from the first marriage, we are examining the matter and shall advise you in due course.

CHILDREN OF DIVORCED SPOUSE NO.PO/ORB/28/G(ii)/1120 October '10, 1997

We have examined the matter regarding payment of family pension to child/children from the first marriage and are of the view that such child/children of a divorced spouse will also be eligible for family pension in equal shares along with the spouse after remarriage or her child/children as the „case may be.

'EARLIER STRIKECLAUSE STANDS DELETED' No.PO/CIR/76{G(ii)/1545 January 2, 1998

Regulation 22 (4) (b) of the Bank (Employees') pension Regulations, 1995 reads as under:

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

Provided that before making an entry in the service record of the Bank employee regarding forfeiture of past service because of _his participation in strike, an opportunity of representation be given to such bank employees.

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..

The Banks may now take steps to amend the said Regulation following the provisions of Section19(1) of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980)'.

COUNTING THE PERIOD OF EXTRAORDINARY LEAVEON LOSS OF PAY AS QUALIFYING SERVICE FOR PENSION. NO.PO/CIR/76/G(ii)/1778 February 10, 1998

In terms of proviso to Regulation 17 of the Bank (Employees) Pension Regulations, 1995 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 purposes including pension. It, therefore follows that simultaneously with the sanction of extraordinary leave, the sanctioning authority has to specifically state whether or not such period of leave will count as service for all purposes including pension.

The said provision was introduced for the first time in Pension Regulations, in September 1995. Some of the member banks have raised queries, whether sanctioning authority can pass necessary orders treating such past period as counting/not counting for qualifying service for the purpose of pension if employees were sanctioned extraordinary leave on loss of pay in the past.

We had taken up the matter with the Government of India Ministry of Finance (Banking Division) who has since advised that the benefit of proviso to Regulation 17 may be extended only to such employees who have availed extraordinary leave on loss of pay after the notification of the Pension Regulations as the Regulations are effective from the date of notification and In whose case the requisite directive has been given by the sanctioning authority. The employees who have availed extraordinary leave before the publication of the notification may not be made eligible for the benefit.

BANK (EMPLOYEES') PENSION REGULATIONS, 1995 - REGULATION 3 – APPLICATION No.PD/CIR/76/G(II)/1939 March 4, 1998

In terms of sub-regulation (7) of Regulation 3 of Bank (employees) Pension Regulations 1995 the family of the employees shall be entitled to the pension or the family pension as the case may be In respect of employees who were in the service of the bank during anytime on or after the 1st day of January 1986 and had died while In service on or before the 31 st day of October, 1993 or had retired on or before 31 st day of October, 1993 but died before the notified date. As such, families of employees who had retired on or before 31 st day of October, 1993 before the notified date are entitled for pension from 1.11.1993 till the date of death. But in view of the sub regulation (2) of Regulation 34 which provides that the family of a deceased employee governed by the provisions contained in sub-regulation (7) of Regulation 3 shall be eligible for family pension only with effect from the 1 st day of November, 1993. same member banks had sought clarifications as to whether arrears of pension are also payable to family members in cases covered under sub-Regulation(7.) of Reg. 3. We had taken up the matter with the Government of India, Ministry of finance (Banking Division) who have since advised that in case an employee who retired before 1.11.1993 but died subsequently but before the notified date, the eligible members of his/her family, if otherwise eligible for family, pension, shall be entitled to arrears of pension w.e.f.1.11.1993 and family pension from the date following the date of death of the employee.

BANK '(EMPLOYEES') PENSION REGULATIONS, 1995, MINIMUM PENSION No.PD/CIR/76/G(ii) June 2, 1998

Regulation 3S to Pension Regulations deals. with the amount of pension and its determination and Regulation 36 deals with minimum pension.

In cases where the basic pension determined under Regulation 35 is less than the minimum pension payable as in Regulation 36 the pensioner is entitled to receive the minimum pension. When the pensioner is to draw an additional pension also as in Sub-Regulation 3 to Regulation 35 and when the aggregate of basic pension and additional pension is less than the minimum pension, then In view of sub-Regulation 4 the pensioner is to be given the minimum pension and dearness relief on such minimum pension. However, in cases where the basic pension is less than the minimum pension but where the aggregate of basic pension and additional pension is more than the minimum pension, a doubt had arisen as to whether dearness relief is payable on the basic Pension or on the minimum pension, Government of India has since examined the matter and decided that the pensioner, whose basic pension is less than the minimum pension but the aggregate, of basic pension and additional pension is more than the minimum pension, may be given dearness relief as applicable to minimum pension and thereafter additional pension be added. The illustration in the annexure will clarify the position. The above clarification shall also hold well while computing family pension under similar circumstances.

BANK (EMPLOYEES') PENSION REGULATIONS, 1995 UPDATION OF PENSION. No.IRD/CIR/76/G(ii)/1109 November 18, 1998

Regulation 2(s) (a) of the Bank (Employees') Pension Regulations, 1995 defines 'pay' in terms of scales of pay prevailing in the banks prior to 1.11.1993.The pay scales of award staff were revised i.e. 1.11.1992 as per the Sixth Bipartite Settlement dated 14.2.1995 and that of officer emplo yees w.e.f. 1.7.1993 as per the joint note dated 23.6.1995.

In the case of employees who had drawn salary during the preceding ten months before retirement, both under old and new scales of pay, the banks were advised to compute pension under the old scales of pay pending receipt of updation formula. We had, vide our circular letterNO.PD/CIR/76/G(ii)490 dated 19.6.1997, advised updation of pension in respect of these employees. Subsequent to our above circular member banks received representations from pensioners that consequent upon updation of pension they were receiving less pension plus dearness relief vis-a-vis the pension plus dearness relief prior to updation and that they should be permitted to opt to draw pension as drawn by them before updation.

We had taken up the matter with the Government of India, Ministry of Finance (Banking Division) who have since advised that such of those pensioners, who find themselves drawing less pension plus dearness relief consequent upon updation of their pension, may be given an option to draw pension including commuted value of pension as if they were drawing pay as per pre-revised scales on the date of their retirement. Such employees will be entitled to dearness relief as per the formula in existence before 1.11.1992 or 1.7.1993 as the case may be and they will have to refund to the pension fund any additional commuted value of pension which they had received consequent upon updation of their pension in terms of our circular dated 19.6.97.. Banks are advised to take note of the above, pendant amendments in the Pension Regulations.

BANK (EMPLOYEES') PENSION REGULATIONS, 1995 - REGULATION 18 - BROKEN PERIOD OF SERVICEOF LESS THAN ONE YEAR. NO.PD/CIR/76/G2/797 August 14, 1999

In terms of Regulation 18 of the Bank (Emplo yees') 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 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 provision.

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

Banks are advised to take note of the above, pending amendments in the Pension Regulations.

BANK (EMPLOYEES') PENSION REGULATIONS, 1995 –REGULATION 46, - PROVISIONAL PENSION. NO.PD/CIR/76/G2/l136 October 12, 1999

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 departmental/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 institute in the case of criminal proceedings, on the date on which the complaint or report of a police officer, of which the Magistrate takes cognisance e, is made, and in the case of civil proceedings, on the date the plaint is presented in the Court. Member banks may please be guided by the above.

POST RETRIAL SPOUSES AND POST RETIRAL BORN CHILD MOP's No.1(23) PW (E) of 4-11-1992 (C and A Government of India, New Delhi letter No.43 Audit J/94 - AI/90 KW (13)DT 18) -C.

Earlier the widow of an employee (married while the employee was in service) and children of the employee (born while the employee was in service), were only Considered as eligible for family pension'. Widow, by a marriage held after retirement, and children born after retirement were not eligible for family pension. In 1988, two widows(one from Defence and the other from Railways)filed writ petitions in Supreme Court (Cases 1128 and 1204 of 1988). justice Ranganath Misra and justice G.L.Oza of Supreme Court held that..

The discrimination on the basis of marriage "during Service" and "after Service" was arbitrary and violative of the equality provisions in the Constitution. The words, "provided the marriage took place before retirement of the Govt. Servant" and the words "but shall not include son and daughter born after retirement" in the Government orders, are ultra-virus of Art 14 of the constitution and cannot be sustained" and (GI Department of P and P.W, O.M.(23) - P.RW/91 /E dt.4.11.92).

Thereupon MOP issued these orders, by which post-retrial spouses (married after retirement) and children born after retirement are also made eligible for family pension. 'They have to apply in the proforma enclosed to order.

Post retrial legally adopted child, as per MOP's No.1 (1 0) - P & PW/93-E of 30.3.1993 is also eligible for family pension.

MISSING PENSIONER: GI of P and P.W. o.M. 1/l 7/86 P and P.W.(c) dt: 25.1.91, dated 29/8/86.

If a pensioner is missing and his where about is not known, then the family of the missing pensioner is entitled for family pension and other benefits, after expiry of one year from the date of disappearance of the pensioner. "Payment of family pension will be made after expiry of one year from the date on which first information report regarding the missing person is lodged with the police" and "the arrears of family pension shall also be payable from the date the pensioner is reported missing". Payment of arrears will however be sanctioned only after receipt of information from PDA, that necessary adjustment of over payments of pension to the pensioner, if any, has been made from the arrears of family pension being made. They have execute an indemnity bond in the format specified.

MORE THAN ONE PENSION. MOP's order NO.1/95-P 8r. PW (G) of 24.4.1995

If both husband and wife are pensioners, then in case of death of husband, the wife will continue to get her full pension and her late husband's family pension. The same is the case, if the wife dies, the husband will get his full pension and his late wife's family pension. In both the cases the DR will be calculated on the total of the pension and family pension. Some departments have been paying DR against only pension and had been denying DR against family pension to the spouse. When this was challenged in CAT Mumbai, (case NO.272 of 1997), CAT has declared, that practice as illegal. and has ordered that DR should be paid against both pension and family pension. In all cases when a person is getting more than one pension. DR will be calculated on the total of both the pension and family pension.

EX-GRATIA FOR BANK RETIREES: (MOF'S ORDER NO.11.3.92-91-IR OF 26.11.98

Employees of Nationalised Banks who have retired on or before 31.12.1985 (viz before introduction of pension scheme for banks on 1.1.1986) and who have rendered 20 years of continuous service are also eligible for ex-gratia of Rs.300/- per month plus DR, with effect from 1.11.1997. Those employees who have resigned or dismissed/removed from services are not eligible for this Ex-gratia. The eligible retirees should submit their applications for grant of this ex-gratia, directly to the concerned banks. The DR for them will be revised in every February and August. From 1.11.97, the DR has been as follows. The DR on ex-gratia amount shall become payable @ 0.67% for every rise of 4 points over 600 points, of All India Working Class Consumer Price Index.

e.g.(1768-600)xO.67/4 = 195.64 (1812-600) x 0.67/4 = 203.01

This is not applicable to the retirees of State Bank of India, as they already have their own pension scheme.

WAGE REVISION FOR WORKMEN EMPLOYEES- COMPUTATION OF FIXED PERSONAL PAY. No.PD/CIR/76/E12/204 May 5, 2000

Fixed personal pay revised with effect from 1.11.1999 has been indicated in schedule III of the Bipartite Settlement dated 27th March, 2000.

We have been receiving queries from member banks regarding applicability of the revised quantum of Fixed Personal Pay to those who were already in receipt of the same at the old rates in view of the fact that it was intended to remain frozen for the entire period of service at the rates originally sanctioned.

In this connection we wish to clarify that workmen employees who are in receipt of Fixed Personal Allowance before 1.11.1999 and continue to be in service of the Bank on or after 1.11.1999 are also eligible for revised Fixed Personal Pay from the month of November, 1999 at the rates and the corresponding dearness allowance indicated in Schedule III together with house rent allowance, if any. The quantum of house rent allowance will undergo a change depending on the basis on which house rent allowance component, as per the area of posting and the rate at which it was computed, was included when Fixed Personal Allowance Members of the subordinate staff and clerical staff who after receipt of Fixed Personal Allowance were promoted to clerical and Officers' cadre respectively shall also draw the revised Fixed Personal Pay as mentioned above.

WAGE REVISION FOR AWARD STAFF -COMPUTATION OF PENSIONNO.PD/CIR/ 76/G2/ 163 MAY 3, 2000

In terms of Clause 16 of Bipartite Settlement dated 27th March, 2000 in relation to an employee who retires or dies while in service on or after the 1st day of April, 1998 'Pay' for the purpose of Pension in terms of Regulation 2(s) of Bank (Employees') Pension Regulations, 1995 shall be the aggregate of the pay drawn by the member of the award staff in terms of the Sixth Bipartite Settlement dated 14th February, 1995 and the dearness allowance thereon calculated upto index number 1616 points in the All India Average Consumer Price Index for Industrial Workers in the series 1960==100, This shall be subject to the necessary amendments to be made to the Bank (Employees') pension Regulations,1995.

In this connection we wish to clarify that pending amendment to Bank (Employees') pension Regulations" 1995 in respect of all workmen employees in the above cases, banks may provisionally compute pension/family pension on the basis of f the average of the pre-revised pay drawn by the employees during the last ten months of service in the Bank/last drawn pre- revised pay respectively,. In all such cases an undertaking may be obtained to enable the Pension Fund to make suitable adjustments at the time the normal pension is released. The Pensioner's Family/Nominee, should also join in such undertaking.

PAYMENTOF EX-GRATIA TO SURVIVING PRE - 1.1.1986 RETIREES - CIRCULAR 7{F) 1190 OF 1988-89 DT. 7.1.99

Government of India vide Ministry of Finance letter F.No. 11 /3/92-IR dated 26th November, 1998 have granted Ex-gratia payment of Rs. 3001- per month plus Dearness Relief to the surviving pre -1.1.1986 retirees of the Bank on the following Terms and Conditions:

1) Ex-gratia payment will be effective from 1.11.1997:
2) Employees should have retired after completing 20 years of continuous service in the Bank.
3) Ex-gratia amount will be Rs. 300/- per month irrespective of the cadre of the employee.
4) Dearness relief will be paid on the Ex-gratia amount as per rates given below:

   1-11 97 to 31-01-1998 (195.95%),1-2-98-31-07-98(203.01%) 1-08-1998 to 31-01-1999 (221.77%) respectively and consequently the amount of DA relief will be Rs.573, 609,665 resp.
5) Dearness relief will be revised during February and August every year as being done for Bank Pensioners.
6) Life Certificates should. be obtained from the beneficiaries every year during the month of November.
7) Employees should not be in receipt of any pensionary benefits from the Bank.
8) Employees who had resigned and those who were dismissed or removed from the service are not eligible for ex-gratia amount.
9) Family members of deceased employees are not eligible for Ex—gratia payment. However, if the employee expired / expires after 1,11,1997, the legal heir can claim life time arrears of EX—gratia for the period from 1,11,1997 to the date of death, Government of India have requested Indian Banks Association to give wide publicity to this grant through newspapers.

On our part, we request you to bring the above contents to the notice of the employees of our bank by displaying the enclosed leaflet on the Branch Notice Board. The eligible member may be advised to take up with us directly furnishing the required minimum details.

NEW SCHEME FOR GRANT OF EX-GRATIA PAYMENT TO SURVIVING WIDOWS OF PRE 01.01.1986 RETIREES

The scheme of "Grant of ex-gratia to Surviving Pre 01.01.1986 Retirees" (i.e. who are not covered under Indian Overseas Bank (Employees') Pension Regulations 1995 scheme was introduced in our Bank with effect from 01.11.1997 as per Indian Banks' Association / Govt. Guidelines.

As per the scheme, we are making payment of an ex—gratia amount of Rs. 300/- + Applicable Dearness Allowance (i.e. Rs. 300 + 1089 = Rs. 1389 at present) per member for all surviving Pre 01.01.1986 retirees to the debit of P & L - Sundries - Others account. There are presently 71 beneficiaries under the scheme with monthly' outlay of Rs. 98,619/-

Various Bank Retirees Association represented to Indian Bank's Association for extending the benefit of payment of ex-gratia to surviving widows of pre 0 1.0 1.1986 retirees also.

Pending finalisation of a scheme for surviving spouses of pre 0 I.01.19'8:6) retirees by Indian Banks' Association, our Bank, as a welfare measure, introduced the scheme of grant of ex- gratia to surviving spouses of pre 01.01.1986 retirees with effect from 01.04.2005. The scheme is similar to grant of ex- gratia to surviving pre 01.01.1986 retirees as per Indian Banks' Association guidelines i.e. Surviving spouses of pre 01.01.1986 retirees are paid monthly ex'gratia of Rs. 300 + applicable Dearness Allowance(Rs. 300 + Rs. 1,089 = Rs.1,389/-)

As of date, we have 32 beneficiaries under the scheme with the monthly outlay of Rs. 42,448/-. but this is funded out of STAFF WELFARE FUND. The scheme was approved subject to the condition that the Bank will reserve its right to withdraw / discontinue the scheme at any time without any reference to the members' or staff welfare committee.

We have since received communication / guidelines dated 13.09.2006 from Govt. of India (Ministry of Finance) regarding grant of exgratia relating to surviving widows of pre 01.01.1986 retirees. The broad parameters of this scheme are as under:-

1. The Bank may provide ex-gratia relief at the rate of Rs. 1000/ - per month (without any Dearness Relief thereon) from the date of introduction of the scheme to widows of such employees who retired on or before 31.12.1985, provided the employees had rendered at least 20 Years of continuous service prior to their superannuation and not in receipt of any pensionary benefits from the bank.
2. The scheme may be implemented from the date of issue and no arrears may be paid.
3. The ex-gratia relief may be admissible to the surviving spouses only and not to other members of the family as defined for the purpose of family pension.
4. The payment may be made to the claimant on the basis of local verification.
5. The payment may be made to the spouses preferring claim for payment and the Bank may not be liable to contact the beneficiary. The payment may be made from the date of preferring the claim and no arrears are liable to be paid.
6. The exgratia may be admissible at the rate of Rs. 1000/- p.m. to the surviving spouses and no Dearness Relief may be granted thereupon.
7. The scheme may be opened as in the case of pensioners.
8. The Banks may, however, device their own mechanism for payment of ex-gratia under the scheme.
9. Ex-gratia payment is not admissible in all such cases wherein (a) Employee was dismissed removed from service (b) who resigned from the service.

Under these circumstances, we may discontinue the existing bank scheme of payment of ex- gratia to surviving spouses of pre 01.01.1986 retirees and implement the new Govt. guidelines for payment of exgratia to surviving spouses of pre 01.01.1986 with effect from 01.10.2006.

Accordingly, Bank 'provides ex -gratia relief at the rate of Rs. 1000(- per month (without any Dearness Relief thereof): from the date of introduction of the scheme to widows of such employees who retried or before 31.12.1985, provided the employees had rendered at least 20 years of continuous service prior to their superannuating and not in receipt of any pensioner benefits from the bank.

We therefore request the board to pass the following resolution, if approved.

"RESOLVED that Approval is hereby accorded for implementation of new Govt. Guidelines for payment of exgratia to widows (surviving spouses of pre 01.01.1986 retirees to the debit of Bank Profit and Loss Account."

Chapter 4

CLARIFICATIONS FROM IBA RECEIVED BY THE BANK

Note:

Regulation numbers mentioned here are Regulation numbers mentioned in lOB Emp. Pension Scheme 1995. ‘

Q.NO.1. Please advise whether only that amount of CCA which is ranking for PF can be taken as additional pension?

Ans. Only that part of CCA ranking for PF shall be taken for computation of Additional Pension.

Q.NO.2. Whether the pensioner’s commercial employment will forfeit his Dearness Allowance on pension, during the period of re-employment?

Ans. A pensioner will be eligible for Dearness Relief during the period of re-employment. **Q.NO.3. Whether an employee discharged from service will forfeit his past service?** Ans. Discharge from service of the Bank shall also entail forfeiture of past service.

Q.NO.4. Advise whether an employee is eligible for pension for his service as General Manager while he is in service as MD/ED?

Ans. Yes.

Q.NO.5 What are the procedures to be adopted for sanction and payment of Family Pension when the whereabouts of the member is not known? Advise the mode of payment of pension to a pensioner settled in abroad?

ANS: The bank may follow the procedure laid down in Central Civil Services Pension rules.

Q.NO.6. Clarify whether additional pension will be calculated if the retiree draws allowance for a temporary basis (period) say a week or month?

ANS. Allowance drawn on permanent basis or otherwise during the last ten months of service shall be taken for computation of Basic Pension or Additional pension as the case may be.

Q.NO.7. Whether widowed/Divorced daughter is eligible for Family pension?

ANS. Widowed/Divorced daughters are not eligible for family pension.

Q.NO.8. Whether Dearness Allowances can be rounded off to next higher rupee as in the case of Basic pension?

ANS. Dearness Allowance should not be rounded off to next higher rupee.

Q.NO.9. Whether the commutation is allowed in the case of deemed retirement also?

ANS. Commutation is allowed in cases of deemed retirement also.

Q.NO.10 Whether the minimum pension (vide paragraph, 14, under chapter IV of the pension scheme, is inclusive of “Additional Pension” if any?

ANS. Yes.

Q.NO.11. Clarify whether families of ex-servicemen who are drawing Defence Pension arid re- employed In the Banks, opting towards Bank’s pension scheme will be eligible ‘to draw two family pension (i.e. one from Defence and another; from Bank OR only one family pension, If so which category of Family pension?

ANS. families ex-servicemen will be eligible for family pension as per the provisions of Bank (Employees’) Pension Regulations. The eligible family member will have to; decide the option for family pension of two establishments in terms of CCS pension rules

Q.NO.12. Clarify whether the minimum pension of Rs.720/- payable to those who retired on or after 1.11.1993 is applicable in case of those who are compulsorily retired?

ANS.The minimum pension of Rs.720 / - payable to those who retired on or after 1.11.1993 is not applicable in case of those who are compulsorily retired.

Q.NO. 13. Whether interim Defence service will be added for calculating qualifying service for pension?

ANS. Salary of ex-service men is paid by the Government for their service in military, the service rendered in military should not be taken Into account for the purpose of reckoning qualifying service.

Q.NO.14. Whether addition of five years of notional service can be added in case of VRS under OSR. and pre-mature retirement on medical grounds as per Govt. Of India- scheme after 1.11.1993.

ANS. Five years notional service may be added for qualifying service In case of those who have taken voluntary retirement as per, Officers' Service Regulations However those employees who have sought pre-mature retirement on medical grounds are not eligible for additional of 5 years notional service in his qualifying service.

Q.NO.15 Whether the foreign service can be taken for calculation of pension even if they have not refunded the bank's contribution with interest?

ANS. If the member has already received CPF on his repatriation to India, his/her foreign service cannot be taken for the purpose of qualifying service.

Q.NO.16. Whether Income-tax should be deducted cu. source by the pension disbursing branches for the payment of pension and Dearness Allowance?

ANS. Applicable Income-tax should be deducted at source...

Q.NO. 17. Whether income-tax should be deducted at source by the branches for the payment of commuted value of pension? OR whether the commuted value of pension is exempted from Income-tax?

ANS. Commutation amount as provided in the Pension Scheme approved by the Commissioner of Income tax is exempted from tax. Please refer to Income-tax Provisions.

Q.NO.18. Commutation is permissible on the minimum pension of Rs.375/- and Rs.720/- sanctioned. Whether it is applicable for the employees whose pension is fixed according to scale wages where minimum pension does not arise.

ANS. Permanent part time employees will draw minimum pension proportionate to the scale wages drawn by them at the time of retirement. Such minimum pension would be 1/3, 1/2, or 3/4 of Rs.375/- or Rs.720/- as the case may be for pre L 11.1993 and post 1.11.1993 retirees respectively. Commutation of pension will be related to such minimum pension.(read this amendments in10 bipartite settlement for part-time workmen)

Q.NO.19. An employee who reaches superannuation on 31.12.1985 but who is not allowed to retire on account of disciplinary action initiated before the date of retirement. Whether the member is eligible for pension?

ANS. No. the member is not eligible for pension.

Q.NO.20. 'Whether an employee who was recruited and retired on or before 31.10.93 under a specialised category are eligible for additional quaffing service given under clause 26 of pension Regulations 1995?

Ans. Employees who were recruited as a specialised category and retired on or before 31.10.93 will not be eligible for addition to qualifying service in terms of Regulation 26 of Pension Regulations.

Q.NO.21. Whether an employee seeking voluntary retirement in terms of Pension Regulations will be eligible for encashment?

Ans. Officer employees Who seek voluntary retirement under Pension regulation No.29 on or before 1st NOV.1993 may be permitted to encashment of leave to the extent as provided in terms of Regulations no. 38 of the officers regulations. Similarly, workmen who seek voluntary retirement under pension Regulations on or after 1st of Nov.1993 may be permitted encashment of leave to the extent as provided in clause 8 and clause 9 of the Bipartite settlement dated 29th June 1990.

Q.NO.22. Whether former military service rendered by ex-serviceman employees would be recorded for the purpose of qualifying service in case where such ex-serviceman are not in receipt of military pension?

Ans. Only service rendered by an employee in the bank would be reckoned as qualifying service. In other words, military service rendered by an ex-servicemen employee, whether in receipt of military pension or not, is not reckoned for pension in a bank.

Q.NO.23. Whether service put in as EOs/CMOs could be reckoned as qualifying service for pension?

Ans. The terms of appointment of EDs/CMOs, are not with reference to Officer's Service Regulations, they are not deemed as employees of the bank. As Such, tenure as EO/CMD is not to be treated as qualifying service for pension in the bank.

Q.NO.24. Whether parents of unmarried employee / retiree are eligible for family pension in case of death of the retiree /employee ?

Ans. Family pension is payable only for the persons who are specifically identified in the pension Regulations. Parents of an employee, be he/she unmarried or married are not eligible for family pension.

Q.NO.25. Bank of Tamil Nadu was amalgamated in our Bank from 20.02.1990. Whether an employee of the erstwhile Bank of Tamil Nadu who retired on or after 1-1-1986 but before 20.02.1990 is eligible for pension.

Ans. Employees of Bank of Tamil Nadu who retired on or after 1-1-1986 but before 20.02.1990 are not governed by the Pension Regulations, as Bank of Tamil Nadu was not a party to Bipartite settlement/Pension Settlement..

Q.NO.26. If an employee eligible for pension under the scheme, otherwise commits 'suicide and dies, whether the family is eligible for pension?

Ans. Family members of an employee who commits suicide and dies shall be eligible for family pension.

Q.NO.27. On appointments as Chairman/Managing Director/Executive Director, whether services rendered by such officials upto scale VII can be reckoned for pension?

Ans. This is treated as" deemed to have retired" and he is eligible for pro-rata pension for his service upto scale VII.

QNO.28. Whether services rendered by an employee in any other Bank (,which is party to the pension settlement at the Industry level) can be considered for reckoning of qualifying service for pension.

Ans. As the matter stands now, only service rendered in the Bank from where the employee retires can be taken as qualifying for pension. IBA has made certain recommendations on their, part in this regard.

Q.NO.29 An employee had put 12 years 3 months on superannuation. During his service he had been under suspension for 2 years six months. Hence his qualifying service is 9 years 9 months. Whether he is eligible for pension.

ANS: The member is not eligible for pension,

Q.NO.30 An employee who had retired on or after 1-1-86 but before 1-11-93 and died after 1.-11-93 The family member had now applied for family pension. Family Pension at what rate Is payable to the above category?

Family pension is payable at rates as per part(a) of Appendix III of our Pension Regulations

Q.NO.31. An employee who had died while in service before 1.11.93 and now his family members have opted for family pension. At what rate is payable for the above category?

Ans. Family pension is payable at rates as per part(b) of Appendix III of our Pension Regulations

Q.NO.32 An employee who had retired on or after 1-1-86 who had not opted for pension and died on 1-11-94 Now the family members of the deceased employee has applied for family pension. Whether the family member is eligible for regular pension of the deceased employee from 1.11.1'993 to 1.11.1994 and arrears can be paid for the family member for the above period.

Ans: Only family pension is payable in this case.

Q.NO.33. As per Pension Regulations 26 an employee shall be eligible to add his service qualifying for 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 retirement exceeded the upper age limit specified by the bank for direct recruitment or a period of five years whichever is less. Provided that this concession shall be admissible if the recruitment rules in respect the said service or past contain specific condition that the service or past is one which carries benefit of this Regulation. Provided that the recruitment rules in respect of any service or past which carries benefit 'of this Regulations, shall be made with the approval of the Central Govt.Whether existing employees who are already opted for pension scheme for Whom the above rules were not mentioned while they were appointed are eligible to add the above additional qualifying service or only the employees who will be recruited in future by mentioning the rules.

Ans: None of the. e-existing employees is eligible for taking benefit of this provisions and only such employees Who will be recruited by the banks, in future subject to the approval of the recruitment rules for the bank by Govt. shall be eligible to avail benefit of these provisions.

(Refer Min. of Finance F.NO.418/16/96- IR dated 6th August 1996).

Q.NO.34. An employee who dies while in service in the middle of the month and opted for pension scheme before his death.

(1) Whether we have to take exactly the pay last drawn during the month on which the member had died or notional pay for entire month for calculating family pension ?

2) In case the member was on Loss of pay before his demise which basic pay can be taken for calculating family pension?

Ans. (1) The notional basic pay for the full month should be reckoned as pay for computing the family pension if the employee has died in the middle of the month.

(2) The pay which the employee would have drawn immediately before proceeding on such leave shall be the pay for arriving family pension.

Q.NO.35. Whether a past retired spouse or child/children Is/are eligible for sanctioning pension needs to be clarified.

Ans. Yes. The procedure laid down in Chapter VII on family pension may be followed.

No. 36. Whether all employees can opt for PF or Pension

Ans. Options available only to those who joined the service before the notified date (I.e. 29th Sept. '95) Employees who joined on or after 29.9.95 are governed by pension regulations. However an employee who joins the service on or after the notified date i.e. 29.9.95 at the' age of 35 years or more can opt either for PF or pension. But this option has to be exercised within a period of. 90 days from the date of his appointment else i.e. will be governed ‘by only pension regulations (Reg.4).

No. 37: Whether option can be exercised now?

YES! In all the above cases in 1.(a) option can be exercised within 120 days from the notified date which is 29.9.95.but for employees recruited after 1-1- 2014 only NPS rules will apply.

No. 39 Whether option already exercised is valid?

YES! provided the employee surrenders the bank’s contribution of PF with interest thereon if he was already in receipt of it or if he was not in receipt of bank’s contribution of PF with interest thereon authorises the PF trustees to transfer the Bank’s contribution of PF including interest to the pension fund. If such transfer or authorisation as the case may be is not made within 60 days from 29.9.95 the option already exercised will not be effective. The employees who already exercised their option but now desire to opt out of pension can do so by writing to PF trustees. NOT to transfer the Bank contribution of PF to the pension fund.

Q.No.39. What Is qualifying service:

1. Subject to the provisions contained in the regulations, qualifying service shall commence from the date an employee takes charges of the post to which he is first appointed on permanent basis (Reg l 5)..

Q.No.40: What is the minimum qualifying service required to become eligible for pension?

TEN YEARS of qualifying service is required to become eligible for pension on reaching superannuation age (i.e.) on the date of normal retirement (Reg.14) However for taking up voluntary retirement before reaching superannuation age an employee should put in minimum20 years of qualifying service to become eligible for pension.

Q.No.41: What is the minimum service required for taking voluntary retirement under Pension Regulation?

On or after the 1st day of Nov.93.at any time after if an employee has completed twenty years of qualifying service he may be giving notice of not less than 3 months in writing to the appointing authority(Reg.29) retire from service.

Whether service in Erstwhile Bank like the BOT will be reckoned for qualifying service?

Yes - It will count if the employee has been appointed as a permanent employee of the erstwhile bank and has been permanently absorbed on amalgamation in our Bank. Employees in the erstwhile bank who has been appointed on contract basis or on daily wages basis or on consolidated basis will not get this benefit (Reg.20)

Q.No.42: Whether period of suspension will reckon for qualifying service?

NO - Except when the employee is fully exonerated or the suspension is held as wholly unjustified or the competent authority has expressly declared while giving penalty to what extent the period of suspension shall reckon for qualifying service (Reg.21).

Q.No.43: Whether Military service is Reckoned as Bank’s Service:

NO - However the employee can simultaneously draw both military pension and bank pension. Q.No.44: Whether any addition may be made to qualifying service while an employee retires on superannuation?

NO - Except in the following circumstances.

l) If the service or post for which an employee is appointed in one for which post graduate research or specialist qualification or experience in specialist field is essential and to,which the upper age limit for direct recruitment exceeds,the normal age for which the employee was given age relaxation over and above maximum age limit.

In such cases an additional period not exceeding 1/4th of his actual, service or the period of relaxation ever the normal upper' age limit or 5 years whichever is less Will be added to the qualifying service. However this addition will not entail for any notional increments.

Q.NO 45 under what other circumstances additions will.be made to qualifying service?

When an employee retires voluntarily his qualifying service shall be increased by not more than 5 years subject to the condition that the total qualifying service with this increase shall not exceed 33 years and it does not take him beyond the date of superannuation. For example if an employee intends to retire voluntarily on completion of 55 years of age where the superannuation he is 58 years the addition to qualifying service is only 3 years. The notional increase shall not entitle the employee to any notional increments.

Q.NO 46: Whether pension is payable on compulsory retirement:

YES - it is payable provided the employee is compulsorily retired as penalty on or after1.11.93 and he was otherwise entitled to such pension on superannuation on that date and the Competent Authority has passed order for payment of Pension (Reg.33)

Q.NO 47: What is the amount of pension payable on,compulsory retirement in the above circumstances?

Pension may be granted by the competent Authority at a rate not less than 2/3 and not more than full pension admissible to an employee 0'; the date of his compulsory retirement (Reg.33)

FAQ'S ON IOB (EMPLOYEES) Pension scheme.

What are the different types of pension? Classes of pension:

1. Superannuation Pension (on retirement at the age of superannuation)
2. Voluntary Retirement pension under Regulation 29
3. Invalid Pension (retirement on medical grounds)
4. Premature Retirement Pension (retired prematurely by orders of the bank)
5. Compulsory Retirement Pension (retired compulsorily as a penalty)
6. Compassionate allowance (for employees dismissed, removed or terminated from service)

What is the minimum service required for pensionary benefits?

Minimum qualifying service is 10 years for pension but for Voluntary Retirement under

Regulation no.29 the min. service required is 20 years.

Whether military service rendered by ex-servicemen employees will be reckoned for pension from Bank?

No. While the ex-servicemen retiree shall continue to draw the military pension, if any, the military service rendered by him shall not count as qualifying service for 'pension from our Bank.

How is the qualifying service counted for part-time employees?

With effect from 1st November 2012, for the purpose of calculating the amount of pension in respect of permanent part time employees in scale wages who are covered by the Pension Scheme, their actual service shall be reckoned for qualifying service and not pro rata. The actual service/qualifying service shall be calculated from the date of recruitment/appointment as permanent part time employee in scale wages or from 1st September 1978 whichever is later.

(c) Employees who are presently covered under Contributory Provident Fund Scheme and have not opted for Pension Scheme under the Settlement dated 27th April 2010 shall continue under the Contributory Provident Fund Scheme as hitherto.

Whether Dearness Relief is paid on full Basic Pension or on Residual Basic Pension after Commutation?

Dearness Relief is paid on full Basic Pension even after Commutation

At what intervals the Dearness Relief is revised?

Dearness Relief is revised by IBA once in six months - in February and August every year

What are the factor's taken for computation of pension?

For Supervisory Staff Basic Pay, FPA (PPA in our bank for some employees)and PQA

For Clerical Staff Basic Pay, PPA, Special Pay, Graduation Allowance, Temporary / Permanent Allowances (*) like SCA allowance, Key Allowance, Computer allowance, etc.

For Sub-Staff Basic Pay, PPA,Special Pay, Temporary/Permanent Allowances (*) like Daftry

Allowance, Head Messenger allowance, Cash Peon allowance, Gunman allowance, etc.

(*) [temporary/permanent allowances which are counted for the purposes of contribution to provident fund and dearness relief will only be reckoned for pension purposes]

What is the maximum amount of pension that can be commuted? A maximum of one-third of eligible pension can be commuted

How is the commutation factor determined?

Commutation factor is determined with regard to the employees' age next birthday with reference to the absolute date of commutation.

An employee whose date of birth is 3.4.1943 retired on 30-04-2003 after completion of 60 years. The absolute date for commutation in his case is 01-05-2003.

Age next birth day with reference to 1.5.2003 is 61 years and the commutation factor is

9.81. When will the commuted portion be restored?

Commuted portion will be restored after fifteen years from the date of commutation.

What is the due date for payment of pension?

Pension is payable on or after the first day of succeeding month. It is credited by Central Office to the pension paying branch.

Whether pension is transferable between our branches?

Yes. 10B[Employees'] Pension can be transferred from one branch to another of lOB. What is the procedure for transfer of pension account from one branch to another?

The pension paying branch has to forward the following documents to PAD Pension Cell Central Office:

1. Pensioner's copy of PPO
2. Disburser's copy of PPO
3. Pension pass-book
4. Letter of Undertaking
5. Specimen signature cum identification forms.
6. Pensioner's requisition letter mentioning the S.B.A/c number at the transferee branch

7. Note: If PM.BS loan if any availed by the pensioner is outstanding the same should also be transferred simultaneously to transferee branch.

When is the Family Pension payable?

Family Pension becomes payable after the death of the pensioner I employee

Who is eligible for Family Pension? Family Pension is payable to:

1. the spouse (widow/widower) till their life time or date of remarriage.

2. after the death of the spouse, it is payable the dependent children in the order of their birth upto the age of 25 years, or date of,marriage whichever is earlier; provided the eligible son/daughter has not started earning a monthly income of more thanRs.2550/- from any employment in government/private sector/self-employment etc.

‘3. If the deceased employee/pensioner was not married at the time of death, family pension is payable! to dependent parents provided the monthly Income of both the parents does not exceed Rs.2550/- from employment in government /private sector /self-employment etc. Such family pension is payable in the first instance e to the father and then to the mother.

Whether family of ex-servicemen employees are eligible for Family Pension from our Bank besides defence Family Pension?

As per CCS (Pension) Rules, a person is not eligible to draw two family pensions (from government department and also from public sector undertaking)

In view, of the above, family of ex-servicemen employees /retirees have ot choose -either defence family pension or banks family pension Bank family and advise us. In case Family pension is chosen from our ‘Bank a certificate from the Defence pension sanctioning Authority. to the effect that Defence family Pension is cancelled / withdrawn should be obtained and forded to us for grant of Family Pension from our Bank.

Is lOB [Employees’] Pension taxable?

Pension is treated as salary and is taxable. But commutation amount paid is not taxable. Pensioners are eligible for Standard Deduction, relief under Section 88, and other reliefs as applicable for salaried class.’

Detailed guidelines for deduction of tax from pension are given in the 7(f) Circular on “Income Tax on Salaries” issued by Personnel Administration Dept.,C.O.

Branches should deduct tax at source on the monthly pensions paid and issue TDS certificate to pensioners [Form 16].

Wherever the total pension paid in a year is below the taxable limits, branches should issue a certificate of total pension paid to the pensioners to enable them to file return..

What are the forms to be sent to Central Office for sanction of pension /commutation?

Pension Cell, Central Office is sending the following set of documents one month before retirement to the respective employees:

1. Application for Pension [Form 6 - Part -I]
2. Details of Family[Form 6 - Part -II]
3. Application for Commutation(FORM 1)
4. Nomination for LTA/commutation
5. Specimen Signature cum Identification Form
6. Letter of Undertaking
7. Salary particular [Form 6 - Part - III]

Branches should forward all the above documents submitted by the employee to Central Office well in advance ensuring the following:

1. The joint photo of the employee with his spouse on the application for pension is duly attested by Branch Manager. /’
2. The single photo of the employee on the application for commutation ‘is attested by Branch Manager.
3. salary details the last 12 months are properly furnished in (Farm 6' Part – III), with details of temporary/ permanent allowances drawn by, the employee during last 12 months, mentioning the nature of allowance and number of days for which it is paid.

Important

All the above forms should be submitted to central office pension cell well before the retirement date of the employee to enable us to release commutation without delay.

Regional offices, are requested to forward the service files of retiring award staff members to settlement section pad central office immediately after retirement date, furnishing the following

1. Particulars of annual increments granted

2. loss of pay availed during the entire service

3. Details of salary paid during the last 12 months

As delay in despatch of the service files by Regional Offices hampers settlement of terminal benefits, R.O.s are requested to bestow due attention to this aspect.

What are the certificates to be obtained from pensioners?

The following certificates are to be obtained from the pensioners once in a year i.e., in the month of November.

1. Life certificate from all pensioners/family pensioners

2. Non-re employment certificate from officers for the first two years of retirement

3. Non-employment certificate from family pensioners [son I daughter]

4.Non-remarriage certificate from family pensioners [Widower] adnoun-marriage certificate from. Family Pensioners [son/daughter (including widowed /divorced daughter)

Important: Any payment made without obtaining the above certificates is unauthorised

What is Ex-gratia Relief Scheme and when it was introduced?

Employees who retired prior: to 1.1.1986 are not eligible for pension. Hence, the Ex-gratia Relief scheme was, introduced for such employees who retired on or before 31.12.1985. The scheme came into effect from 1,11.'19.,97.
'

Who are eligible for Ex-gratia?

Employees who retired on superannuation/voluntary retirement on or before 31.12.1985 after rendering a minimum continuous service of 20 years and were alive as on 1.11.1997 are eligible for Ex-gratia relief Scheme.

What Is the amount of Ex-gratia paid and whether DA is paid on that?

The basic amount of Ex-gratia is a fixed sum of Rs.300/- irrespective of the basic pay drawn by the retirees. Dearness Relief Is admissible on Ex-gratia and it is revised by IBA once in six months- February and august every year.

Whether the family of the deceased retirees is eligible for the Ex-gratia payment?

No. Ex-gratia is payable only till life time of the retired employee and his family is not eligible for the Exgratia payment.

What Is the certificate to be obtained from Ex-gratia beneficiaries?

Life Certificate should be obtained once In a year in the month of November

ADDITIONONAL CLARIFICATIONS 'AS PER' CCS PENSION RULES ON FAMILY PENSION

1. Pension/gratuity payable to a lunatic

When my sum is payable in respect of pay, pension, gratuity or other similar allowance to any person (by the 'Central Government OR any State- Government) and the person to whom the sum is payable is certified by, a Magistrate to.be lunatic, the Government Officer under whose authority such sum would be payable, if the payee were not a lunatic, may pay so much of the said sum as he thinks fit to the person having charge of the lunatic and may pay the surplus, if any, or such part thereof, as he thinks fit for the maintenance of such members of the lunatic's family as are dependent on him for maintenance.

The Government concerned shall be discharged of all liability in respect of any amounts paid in accordance with the section. (Sec. 95(1) of Indian lunacy Act 1912)

2. Procedure when a member of the family forgoes his claim:

A question has been raised whether the payment of pension can be authorised to the second son or the eldest surviving unmarried daughter of the deceased Government servant if the eldest surviving son gives his consent in writing to forego his claim in favour of his younger brother or sister;.and whether the share of the death/retirement gratuity admissible to a member of the Government servant's family can be authorised to another member or members in whose favour the former may have forgone his/her claim. The matter has been carefully considered and it has been decided since the Government would not in such a case get a good discharge from the eldest son or other member of family having a prior claim to the pension, the safer and more appropriate Course would be to sanction the pension only in favour of the member entitled to it under the rules. Similarly, the, gratuity should also be paid to all the members of the family in equal shares, as has been provided for in the rules even though any of the members may volunteer or desire that his/her share may be paid to some other member(s) of the family. (G.I.M.F,.O.M. No.F.20(11)-E. V /57dated the 2 7th October 1957)

3. When the widow gives birth to an illegitimate child -

The widow of a Policeman who has governed by the Extraordinary Pension Rules gave birth to.an illegitimate child and a question was raised whether her family pension should be stopped. The pension was not payable only on her death or re-marriage, whichever occurred. As there was no legal re-marriage. it was held by the Ministry of Law that the case should be disposed of on the assumption that there has been no re-marriage and as such the pension was accordingly allowed to continue.

(G.I., M.F.,U.O.No.3006-E, V.51 dated the 11th May, 1951)

4. Posthumous child entitled to pension

A doubt arose whether a posthumous child is covered by the term 'surviving kindred' in the application form for family extraordinary pension and whether or not such a child would be entitled to pension and other pensionary benefits admissible under the various pension rules. It was held in consultation with the Ministry of Law that the term 'child' includes a posthumous child of the Government servant.

G.I.Dept.of P.& W.O.M.No.l/47/87-P.& W./C, dated the 30th March 1989.

5. Family pension will not be stopped when son/ daughter starts earning livelihood.-

The question of removing the restriction of earning of livelihood for the purpose of stoppage of family pension has been under consideration of the Government of India. It was felt that the condition was operating harshly on the sons/daughters as the rules do not define the quantum of livelihood that will be taken into account for the purpose of this condition.

a) It has been decided that family pension payable to a son shall be stopped when he attains the age of 25 years and in the case of a daughter when she attains the age of 25 year's or when she got married, whichever is earlier. The cases of a son or daughter of a Government servant who 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 livelihood even after attaining the age of 25 years, will continue to be regulated by the proviso to sub-rule (6) of Rule 54 of the CCS (Pension)' Rules,1972 is being issued separately.

b) These orders will take effect from the date of issue.

(G.I.Dept. of P.& P.W, O.M.No./(26) P.& PW/90-E dated the 18th January).

6 Second wife not entitled to the family pension as a legally wedded wife under the Hindu Marriage Act.

The Department of pension and Pensioner's Welfare have since clarified that the second wife will not be entitled to family pension as a legally wedded wife. A copy of their clarification is enclosed, for information.

(C.&.A.G., New Delhi, Letter No;211-Audit 1/13-86, dt.4th March 1987).

Copy of D.o..Letter No.1 /39/86-P.&.W. Dated 16.2.1987, Received from Shri Hazara Singh, Deputy

Secretary, Department of pension and P.W. New Delhi. ‘

An extract of the relevant advice given by the Ministry of Law in the matter is enclosed. You may like to take necessary action in the matter accordingly.

EXTRACT

It is specifically a question arising under the Hindu Marriage Act, 1955. Under Rule 54(7) of the CCS (pension) Rules, 1972, in case a deceased Government servant leaves behind more than one widow or a widow and eligible offspring from another widow, they are entitled to family pension in respect of that deceased Government servant. Section 11 of the Act provides that any marriage solemnized after the commencement of the Act shall be null and void can be annulled against the other party by decree of nullity if the same contravenes any of the conditions specified in Clauses (i), (iv) and (v) of Section 5 of the Act. Section 5(1) stipulates that the marriage cannot be legally solemnized when either party has a spouse living at the time at such marriage, therefor, any second marriage, by a Hindu male after the commencement of 1955 Act during the lifetime of his first wife-will be a nullity and have no legal effect, Such marriage cannot be valid on the ground of any, custom, In fact, a custom opposed to an expressed provision of law is of no legal, effect. So under these circumstances, the second wife will not be entitled to the family pension as a legally wedded wife.

7. When the husband declines to accept family pension in any capacity:

A case has been reported where on the death at a married woman employee, who left behind minor children, the husband of the deceased had declined to accept the family pension in any capacity, and also-o given his consent to pay the same to the real guardian of the deceased’s children, I.e. his, father-in-IA. The widower was having another living wife at the time of the death of the deceased Government servant.

The following point relating to the case was referred to the Government of India by this office. The Ministry of finance in consultation with the Ministry of Law and department of Personnel and Administrative Reforms have now issued the clarification below Point raised for clarification:

If the husband has another living wife at the time of death of a female Government servant, it is the same as re-marriage and as such the husband of the deceased female Government servant Is not entitled to the Family Pension under Rule 54 (6)) (i) of the CCS (:Pension) Rules, 1972.

Will it be in order In the instant case to pay the family pension to the minor children through the father of the deceased emplay.ee who is their guardian, when the natural guardian, viz.,father of the children, is living?

Clarification issued:

It will be, in order In the instant case to pay the family pension to the minor children through the father of the deceased employee i.e. their guardian, when the natural guardian, i.e. Father of the children is living. This Is, however, subject to recognition of his legal guardianship by the court. (A,G., letter no. 61 /Audit795~75 dated the 19th January, 1976)

8. in the event of death of a family pensioner, the arrears of family pension is payable to eligible member of the family next in line.

a) ‘It is not considered necessary to provide the facility of nomination for family pension. In the event of death of a family pensioner, the right to receive any arrears of family pension would automatically pass of to the eligible member of a family next in line in accordance with Rule 54of CCS (pension) Rules, 1972.

b) The requirement of succession certificate for payment of any arrear should be required only in cases, where there is no eligible family member as defined in the above Rule 54, after the death of a family pensioner.

c) These instructions may be brought to the notice of all disbursing authorities. (G.I.,Dept., of Pen.& P.W., O.M.No.43/4/95-P.& P.W.(G) dated 30th October, 1995)

9. Family pension is admissible also to children from the void or voidable marriage.

Attention is invited to provisions contained in Rule 54(8) of CCS (pension)rules, 1972 and decisions there under on regulation of amount of family pension payable. This Department has been receiving references from Ministries/Departments seeking advice on the question ‘of admissibility of family pension to children of a deceased Government servant/pensioner from a wife whose marriage e with the said Government servant /pensioner would he voidable or held void under the provisions of Hindu Marriage Act.

a. The matter regarding grant of pensionary benefits to such children has been examined in consultation with the Ministry of law.

b.In view of the fact that Section 16 of the Hindu Marriage Act, 1955 as amended by Hindu, Marriage laws (Amendment) Act states “Notwithstanding that a marriage is null and void under Section 11, any child of such marriage who would have been legitimate if the marriage had been valid shall be legitimate, whether such child is born before or after the commencement of Marriage Law(Amendment)Act, 1976 and whether or not a decree of nullity is granted in respect of that marriage under this act, and whether or not the marriage is held to be void otherwise than’ on a petition under this act”.

c. The rights of such children require to be protected and will accrue accordingly. It is therefore, clarified that pensionary benefits will be granted to children of a deceased Government servant/ pensioner from such type of void marriages when their turn comes. It may be noted that they will have no claim whatsoever to receive family pension as long as the legally wedded wife is the recipient of the same (G.I. Dep. of Pension welfare O.M. 1/16/96 P and PW (E) dt. 2/12/96.)

Chapter 6

HOW TO CALCULATE PENSION?

Important points a PSB retiree needs to know on Pension and Family Pension*

Question: What is the main difference in calculation of Pension and Family Pension?

Pension is calculated based on the average emoluments.

Average emoluments mean average of pay drawn by an employee during the last 10 Months of his/her service in the Bank.

Family Pension is calculated based on the last pay drawn by the employee at the time of retirement (if died while In service as at the time of death).

Question: Would there be any benefit in family pension, if the employee drawn any increments with in the last 10 months of his/her service?

Yes. As Family pension calculation is based on the last drawn pay that would be higher than the average emoluments, which is based on 10 months average pay. Pension is based on average emoluments, which will be lesser than the last pay drawn in cases where increment was drawn by the employee during the last 10 months period.

Question: What is the definition of average emoluments, pay for the purpose of calculation of pension?

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

Pay-Generally Pay includes the basic pay including stagnation increments, if any

+FPA+PQA+OA

(which count for PF drawn by member during last 10 months).

Question: What is the qualifying Service required for getting maximum Pension on retirement?

Normal qualifying Service required is 33 Years to be eligible for maximum pension. As there is a provision to add maximum of 5 More years (subject to conditions,) those who completed 28 Years can get maximum Pension, if eligible to get 5 more years of addition for calculating qualifying Service. Those who opt VRS can also get full pension on completion of 28 Years of Service if they are eligible to get addition of years (Maximum 5 Years) in the calculation of qualifying service.

Maximum Pension-50% of average emoluments.

(i) in cases where employee dies while in service after having rendered not less than seven years' continuous service,

(ii) in the event of death of an employee immediately after retirement, the family pension as determined under clause (a) 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;

Question: Whether Dearness Relief is admissible on Family pension where the family pensioner is employed or in receipt of another Service pension?

Yes. A family pensioner drawing Salary on employment or Service pension after retirement can draw DR on Family Pension /DR on both the pensions (DoP &W O.M. No. 45/73/97-P&PW(G) dated 2nd July,1999).

Question: In the PPO the Pay Last drawn, Average Emoluments, Basic Pension, Ordinary family pension and enhanced family pension will be given as at the time of retirement. If there is subsequent revision of pay due to BPS covering the retirement period, amended PPO if not given, how to keep track?

It is always advisable to keep the last 10 months Salary slips along with the PPO. Whenever arrears are paid on account of BPS after retirement, it is better to note down in a separate sheet of paper revised Last pay drawn, revised average emoluments, Revised Basic Pension, Revised Commuted portion, ordinary family pension and revised family pension. In absence of amended PPO this would help the retiree in future in case of need.

Always it is advisable to keep the original PPO along with last drawn salary slips/ details of Revision in a separate file and to be kept in a safe place easily accessible.

It is preferable to keep the format for claiming family pension and Funeral Expenses along with the PPO in the same folder as that would be helpful to the family in the absence of the pensioner.

Question: What are the other records that the pensioner should keep to meet any medical emergency?

It is advisable that the pensioner should keep a separate folder containing Health insurance Id cards, Details of health insurance for self and spouse, Details of TPA contact numbers for sending intimation for hospitalization, emergency contact numbers, Details and contact number of family Doctor/Specialist Doctors /Hospital.

Also, it is advisable to keep the list of health history and the details of current medicines etc.

It is important to keep separate Health files and Spouse and Self. Health file should contain details of current ailments and medication.

It is advisable to keep copies of Aadhar card, TPA id cards and Pensioner id card in the folder which should be readily accessible.

How is the pension calculated?

Pension is calculated on the average emoluments arrived at by reckoning the last 10 months' pay.

Pension will be paid for a maximum of 33 years of service only even if the employee has put in more than 33 years of service

Pension Calculation

	BY VRPS		
D.O.B.	30.06.1962		
D.O.J.	30.06.1987		
D.O.R.	30.06.2007		
Service	20 years		
On Retirement by VRPS service will be added by 5 years*			
Service	25 years		
Basic Pay		13210	
Gr.All.		360	
PPA		470	
Total		14040	
Average emoluments for 10 months		14040	
Calculation of Pension	=(14040 ÷ 2) X (25 ÷ 33)		5318.18
Basic Pension		5319.00	
Commutation	=5319 ÷ 3	1773.00	
Residual Basic	=5319 − 1773	3546.00	
Dearness Allowance @ 27.36% **		=5319 X 27.36%	
27.36% **	=8465 X 27.36%	2316.02	
Net Residual Pension	=3546 + 1455.28		5001.28
Commutation Value (commutation X 12 months X factor as per table)	=1773 X 12 X 14.37		305736
Factor calculation	Age at the time of retirement + 1		

	BY SUPERANNUATION	
D.O.B.	30.06.1947	
D.O.J.	30.06.1974	
D.O.R.	30.06.2007	
Service	33 years	
On Retirement by Superannuation		
Service	33 years	
Basic Pay	16010	
Gr.All.	360	
PPA	560	
Total	16930	
Average emoluments for 10 months	16930	
Calculation of Pension	=(16930 ÷ 2)	8465.00
Basic Pension		8465.00
Commutation	=8465 ÷ 3	2822.00
Residual Basic	=8465 − 2822	5643.00
1455.28		Dearness Allowar
Net Residual Pension	=5643 + 2316.02	7959.02
Commutation Value (commutation X 12 months X factor as per table)	=2822 X 12 X 9.81	332205.84
Factor calculation	Age at the time of retirement + 1	

* 5 years or left over service as on the date of superannuation whichever is less

** DA =Entire Basic Pension X 0.18% X slab (current slab is 152)

A) SUPERANNUATION PENSION

CASE NO. 2

1. Name : Mr. ABC
2. Date of Birth : 17.06.1952
3. Date of Joining the Bank : 18.10.1980
4. Date of Retirement : 30.06.2012
5. Age at the time of retirement : 60 years
6. Total Service Rendered : 31 Years, 8 Months, 13 Days
7. Total Qualifying Service for Pension : 31 Years, 8 Months, 13 Days
8. Total No of Years of service reckoned for calculation : 32 Years
9. Max No of years to be reckoned for calculation : 33 Years
10. Whether eligible for 1/3rd for Commutation : Yes
11. Average Pay for the last 10 months : Rs.42430

Calculation of Basic Pension:

Average Pay for last 10 months x Eligible Service = 42430 x 32

Basic Pension = = 20573.00*

2 33 2 X 33

Basic Pension (50% of the Average Pay)

(A) Rs. 20573.00 * Add: DA @ 63%.00 for 420 Slabs

(B) Rs. 12961.00

Full Pension (A+B) (C) Rs. 335 34.00

Less: Commuted Pension [1/3rd of Basic Pension i.e.

A] (D) Rs. 6857.00 @ Basic Pension after Commutation (A-D) [E] Rs. 13716.00

Pension after commutation (E+B) (F) Rs. 26677.00

Amount receivable on Pension Commutation Rs. 807207.00 **

Calculation of Pension Commutation :

Commutation Pension Value = 1/3rd of Basic Pension x Commutation factor x 12 i.e. Rs.6857/-@ x 9.81 x 12 = Rs.807207/- ** Note:

1. Since the employee retired on superannuation, no additional qualifying service is eligible.

2. As per Pension Regulations, Commuted Value depends on the age of the retired employee by next birthday. In the above case, the employee retired at 60 years, so the commutation value for Re.1/- pension is 9.81 for 61 years (i.e. age by next birth day). For Commutation value at different age, refer commutation value chart provided in IOB Manual on OSR).

3. Please note that the employee will be repaying the commuted value of Rs.807207.00 in 15 years with a monthly instalment of Rs.6857.00 which comes to a total of Rs.12,34,260.00 with interest which works out roughly at 12.00% p.a.

CASE NO. 3

1. Name : Mr. MUTHURAJ
2. Date of Birth : 02.06.1953
3. Date of Joining the Bank : 19.01.1983
4. Date of Retirement : 30.06.2013
5. Age at the time of retirement : 60 years
6. Total Service Rendered : 30 Years, 5 Months, 12 Days
7. Total Qualifying Service for Pension : 30 Years, 5 Months, 12 Days
8. Total No of years of service reckoned for calculation : 30 Years
9. Max No of years to be reckoned for calculation : 33 Years
10. Whether eligible for 1/3rd pension Commutation : Yes
11. Average pay for the 10 last months : Rs.30910

Calculation of Basic Pension:

Average Pay for last 10 months x Eligible Service = 30910 x 30

Basic Pension = = 14050.00*

2 33 2 X 33

Basic Pension (50% of the Average Pay)

(A) Rs. 14050.00 * Add: DA @ 63% for 420 slabs

(B) Rs. 8851.00

Full Pension (A+B) (C) Rs. 22901.50

Less : Commuted Pension (i.e.1/3rd of Basic Pension

A) (D) Rs. 4683.00 @ Basic Pension after Commutation (A-D) (E) Rs. 9367.00

Pension after commutation (E+B) (F) Rs. 18218.50

Amount receivable on Pension Commutation Rs. 551322.00 **

Calculation of Pension Commutation :

Commutation Pension Value = 1/3rd of Basic Pension x Commutation Value x 12 i.e. Rs.4683@ x 9.81 x 12 = Rs.551282.00 **

CASE NO. 4

1. Name : Mr. AAA
2. Date of birth 19.09.1942
3. Date of Joining the Bank : 10.09.1962
4. Date of Retirement : 30.09.2002
5. Age at the time of retirement : 60 years
6. Total Service Rendered : 40 Years, 0 Months, 12 Days
7. Total Qualifying Service for Pension : 40 Years,0 Months, 12 Days
8. Total No of years of service reckoned for calculation : 33 Years
9. Max. No of years to be reckoned for calculation : 33 Years

10. Whether eligible for 1/3rd pension Commutation : Yes

11. Average pay for the last months : Rs.15720.00

Calculation of Basic Pension:

Average Pay for last 10 months x Eligible Service = 15720 x 33

Basic Pension = 7860.00*

2 33 2 X 33

Basic Pension (50% of the Average Pay

(A) Rs. 7860.00 * Add: DA

(B) Rs. 9135.62 (Upto B.P. Rs. 3550/- @ 127.92% and above Rs.3550.00 @ 106.60%)

Full Pension (C) Rs. 16995.62

Less : Commuted Pension (1/3rd of Basic Pension i.e.

A) (D) Rs. 2620.00 @ Basic Pension after Commutation (A-D) (E) Rs. 5240.00

Pension after commutation (E-B) (F) Rs. 14375.00

Amount receivable on Pension Commutation Rs. 308426.00 **

Calculation of Pension

Commutation :

Commutation Pension Value = 1/3rd of Basic Pension x Commutation Value x 12 i.e.

Rs.2620@ x 9.81 x 12 = Rs.308426.00 **

(B) VOLUNTARY RETIREMENT PENSION (Pension Regulation 29)

CASE NO. 1

1. Name of the Officer : Mr. XYZ
2. Date of Birth : 05.09.1954
3. Date of Joining the Bank : 29.09.1981
4. Date of Voluntary Retirement : 14.06.2012
5. Age at the time of retirement : 57 years
6. Total Service Rendered : 30 Years, 8 Months, 17 Days
7. Total No of years remaining service : 02 Years 2 months 22 days
8. Additional Qualifying Service eligible : 02 Years 2 months 22 days
9. Total Qualifying Service for Pension (7+8) : 32 Years, 10 Months, 39 Days
10. Max. No of years to be reckoned for calculation : 33 Years
11. Whether eligible for 1/3rd pension commutation : Yes
12. Average pay for the last 10 months : Rs.34200.00

Calculation of Basic Pension:

Average Pay for last 10 months x Eligible Service = 34200 x 33

Basic Pension = = 17100.00*

2 33 2 X 33

Basic Pension (50% of the Average Pay)

(A) Rs. 17100.00 * Add: DA @ 63% for 420 slabs

(B) Rs. 10773.00

Full Pension (C) Rs. 27873.00

Less : Commuted Pension (1/3rd of Basic Pension i.e.

A) (D) Rs. 5700.00 @ Basic Pension after Commutation (C-D) (E) Rs. 11400.00

Pension after commutation (E+B) (F) Rs. 22173.00

Amount receivable on Pension Commutation Rs.807207.00 **

Calculation of Pension

Commutation :

Commutation Pension Value = 1/3rd of Basic Pension x Commutation Value x 12 i.e. Rs.5700/- x 10.78 x 12 = Rs.737362.00 **

Note:

1. Maximum additional qualifying service eligible is 5 years. As the remaining service is only 2 years 2 months 22 days, the same will be added to the service rendered for arriving at total qualifying service.

2. Broken period service of more than 6 months will be taken as one full year.

3. As per Pension Regulations, Commuted Value depends on the age by next birthday of the retired employee. In the above case, the employee retired at 57 years, so the commutation value for Re.1/- pension is 10.78 for 58 years (i.e. age by next birth day). Commutation value for different age, refer commutation value chart provided in IOB Manual on OSR

CASE NO. 2

1. Name of the Officer	: Mr. A
2. Date of Birth	: 01.05.1955
3. Date of Joining the Bank	: 12.09.1979
4. Date of Voluntary Retirement	: 05.03.2013
5. Age at the time of retirement	: 57 years 11 months 4 days
6. Total Service Rendered	: 34 Years, 00 Month, 22 Days
7. Loss of Salary, if any	: 10 days in Sep 2012
8. Total No. of years remaining service	: 2 Years 1 months 26 days
9. Additional qualifying service eligible	: NA (since completed 33 Years)
10. Total Qualifying Service for Pension	: 34 Years, 00 Month, 22 Days
11. Max. No. of years reckoned for pension calculation	: 33 Years
12. Whether Is Eligible for 1/3 Commutation	: Yes
13. Average pay for the last 10 months	: Rs.31304.00

S. No .	Month	Basic Pay & Allowance in Rs.	No of days served during the month	No of days during the month	Pay calculation
1	Mar 2013	31500	5	31	31500 x 05/30 = 05250.00 (A)
2	Feb 2013	31500	28	28	31500 x 30/30 = 31500.00 (B)
3	Jan 2013	31500	31	31	31500 x 30/30 = 31500.00 (C)
4	Dec 2012	31500	31	31	31500 x 30/30 = 31500.00 (D)
5	Nov 2012	31500	30	30	31500 x 30/30 = 31500.00 (E)
6	Oct 2012	31500	31	31	31500.00 (F)
7	Sep 2012	31500	20 (10 days LOP)	30	31500 x 20/30 = 21000.00 (G)
8	Aug 2012	31500	31	31	31500 x 30/30 = 31500.00 (H)
9	Jul 2012	31500	31	31	31500 x 30/30 = 31500.00 (I)
10	Jun 2012	30600	30	30	30600 x 30/30 = 30600.00 (J)
11	May 2012	30600	26 (5 days LOP)*	31	30600 x 25/30 = 25500.00 (K)
12	Apr 2012	30600	10	30	30600 x 10/30 = 10200.00 (L)

Average Pay = (A+B+C+D+E+F+G+H+I+J+K+L)/10 Rs.31305.00

* Loss of Salary for 10 days in Sep. 2012 and 5 days in May 2012 due to ill health.

The same method will be adopted even in case of LOP on account of Strike.

* For calculation purpose, 30 days in a month is reckoned.

** No of days served in March 2013 is 5 days. Hence, 5 days salary of March 2013 and 10 days salary of April 2012 is taken for the LOP of 5 days in May 2012 and

10 days in Sep 2012 for the purpose of calculation of Average Pay.

Calculation of Basic Pension:Average Pay for last 10 months x Eligible Service = 31305 x 33

Basic Pension = 15652.50*

2 33 2 X 33

Basic Pension (50% of the Average Pay) (A) Rs. 15652.50 *

Add: DA @ 80.25% for 535 slabs (B) Rs. 12561.00

Full Pension (C) Rs. 28213.50

Less : Commuted Pension (1/3rd of Basic Pension i.e.

A) (D) Rs. 5217.00 @ Basic Pension after Commutation (C-D) (E) Rs. 10435.50

Pension after commutation (E+B) (F) Rs. 22996.50

Amount receivable on Pension Commutation Rs. 674871.00 **

Calculation of Pension Commutation :

Commutation Pension Value = 1/3rd of Basic Pension x Commutation Value x 12 i.e. Rs.5217@ x 10.78 x 12 = Rs.674871.00

**** Note:**

A) In the above case, the officer employee has completed 33 Years of qualifying service, hence adding of further qualifying service does not apply.

B) As per Pension Regulations, Commuted Value depends on the age by next birthday of the retired employee. In the above case, the employee retired at 57 years, so the commutation value for Re.1/- pension is 10.78 for 58 years (i.e. age by next birth day). Commutation value for different age, refer commutation

CASE NO. 3

1. Name of the Officer : Mr. BCA
2. Date of Birth : 17.07.1956
3. Date of Joining the Bank : 17.08.1977
4. Date of Voluntary Retirement : 31.08.2012
5. Age at the time of retirement : 56 years, 1 month, 15 days
6. Total Service Rendered : 35 Years, 0 Month, 15 Days
7. Total No of Years remaining service : 3 Years 10 months 16 days
8. Additional Qualifying service eligible : NA (since completed 33 Years)
9. Total Qualifying Service for Pension : 35 Years, 00 Months, 15 days
10. Maximum years to be reckoned for calculation : 33 Years
11. Whether eligible for 1/3rd Pension Commutation: Yes
12. Average pay for the last 10 months : Rs.38230

Calculation of Basic Pension:

Average Pay for last 10 months x Eligible Service = 38230 x 33

Basic Pension = 19115.00*

2 33 2 X 33

Basic Pension (50% of the Average Pay)

(A) Rs. 19115.00 * Add: DA @ 63.00% for 420 slabs

(B) Rs. 12042.00

Full Pension (C) Rs. 31157.00

Less : Commuted Pension (1/3rd of Basic Pension i.e.

A) (D) Rs. 6371.00 @ Basic Pension after Commutation (C-D) (E) Rs. 12744.00

Pension after commutation (E+B) (F) Rs. 24786.00

Amount receivable on Pension Commutation Rs.848618.00 **

Calculation of Pension

Commutation :

Commutation Pension Value = 1/3rd of Basic Pension x Commutation Value x 12 i.e. Rs.6371@ x 11.10 x 12 = Rs.848618.00 ** Note:

As per Pension Regulations, Commuted Value depends on the age by next birthday of the retired employee. In the above case, the employee retired at 56 years, so the commutation value for Re.1/-

pension is 11.10 for 57 years (i.e. age by next birth day). Commutation value for different age, refer commutation value chart provided in IOB Manual on OSR

CALCULATION OF FAMILY PENSION

CASE NO. 1

1.	Name of the Officer (deceased)	:	Mr. A
2.	Date of Birth of the deceased	:	05.10.1934
3.	Date of Joining the Bank	:	11.03.1957
4.	Date of Retirement	:	31.10.1992 (Retired at 58 Yrs)
5.	Date of Death	:	17.03.2013
6.	Age on the date of death	:	79 Yrs
7.	Total Service Rendered	:	35 Years, 7 Months, 20 Days
8.	Whether Age crossed 65 years as on the date of death	:	Yes
9.	Total Qualfying Service for Pension	:	35 Years, 7 Months20 days,
10.	Last drawn pay at the time of death	:	Rs.5050

Calculation of Family Pension:

Basic Family Pension @ of the last drawn

Pay Rs. 5050.00 (A) 30% 5050 = Rs. 1515

Add: Dearness Allowance at 33% on Last drawn Pay (B) = Rs.5556.00

Total Family Pension (A) + (B) Rs. 7071

Note : Since the pensioner retired on 31.10.1992 DA rate applicable will be the rate prevailing at that time.

CASE NO. 2

1.	Name of the Officer (deceased)	:	Mr. Z
2.	Date of Birth of the deceased	:	05.10.1955
3.	Date of Joining the Bank	:	01.11.1976
4.	Date of Voluntary Retirement	:	17.11.2009
5.	Date of Death	:	23.07.2013
6.	Age as on the date of death	:	58 Yrs
7.	Total Service Rendered	:	33 Years, 0 Months16 Days,
8.	Whether Age crossed 65 years as on the date of death	:	No@
9.	Total Qualfying Service for Pension	:	33 Years, 0 Months, 16 days
10.	Last drawn pay at the time of death	:	Rs.32710

CALCULATION OF FAMILY PENSION:

Basic family Pension @ 30% of Pay of Rs.32710.00	(A)	Rs. 9813
Twice the Family Pension	(B)	Rs. 19626
50% of last drawn salary	(C)	Rs. 16355.00
Least of (B) and (C)		Rs. 16355

Family Pension Payable:

Basic family Pension @ 30% of Pay of Rs.32710.00	(A)	Rs. 9813
Twice the Family Pension	(B)	Rs. 19626
Add: DA @ 80.25% (536 slabs) on (B)	(C)	Rs. 7875.00
Total FAMILY Pension (B+C)		Rs 27501

@ Since the pensioner has not crossed the age of 65 years, the Family Pension eligible will be twice the amount of Family Pension or 50% of last drawn Pay, whichever is less. Family pension at twice the amount will be payable till the date on which the pensioner would have attained

65 years of age or 7 years whichever is earlier. The date upto which the same will be payable is determined as shown below:

Date of Birth	Retirement Date	Date of death	Date of attaining the age of 65 years	7 Years after the date of Retirement
05.10.1955	17.11.2009	23.07.2013	04.10.2015	16.11.2016

In this case, legal heirs are eligible for Twice the Family Pension till 04.10.2015 and thereafter only

Normal Family Pension only becomes payable.

CASE NO. 3 - FAMILY PENSION IN THE CASE OF MISSING PERSONS

1. Name of the Missing Officer : Mr. Z
2. Date of Birth of the Missing Officer : 14.05.1972
3. Date of Joining the Bank : 10.12.1999
4. Date since Missing : 22.04.2010
5. Age on the date of missing : 38 Yrs
6. Total Service Rendered : 10 Years, 4 Months,
7. Date of missing : No
8. Total Qualfying Service for Pension : 10 Years, 4 Months12 Days,
9. Last drawn pay at the time of Missing : Rs.19600

In the captioned case, the employee is missing and not reported for duty and his whereabouts are not known. As per Central Civil Service Pension Rules, if any person is missing and a FIR is lodged and could not be traced, family pension should be paid to the legal heir after one year from the date of filing FIR.

Determination of Family Pension:

Maximum Family Pension (A) : Rs. 5880

Twice the Family Pension50% of last drawn salary (C) : (D) : Rs. 11760 Rs. 9800.00

Least of (C) and (D) : Rs.9800.00

Calculation of Family Pension:

Basic family Pension @ 30% of pay of Rs.19600.00	(A)	Rs. 5880
Twice the Family Pension	(B)	Rs. 11760
Add: DA @ 80.25% on (B)	(C)	Rs. 9437.40
Total Family Pension (B) + (C)		Rs. 21197.40

Date ofBirth RetirementDate Date ofMissing Date Date f attaining65 Years age 7 Years after dateofMissing*

14.05.1972 31.05.2032 22.04.2010 14.05.2037 23.10.2017

In this case the FIR was filed on 23.10.2010. Hence, legal heirs are eligible for the Twice the family pension till 23.10.2017 and thereafter only Normal Family Pension will be payable.

CASE NO. 4

1. Name of the Officer (deceased) : Mr AA
2. Date of Birth : 01.05.1984
3. Date of Joining the Bank : 05.05.2006
4. Date of Retirement : 30.04.2044
5. Date of Death : 28.03.2013
6. Age on the date of death : 23 Yrs
7. Total Service Rendered : 06 Years, 10 Months,
8. Whether Age crossed 65 years on the date of death : No
9. Total Qualfying Service for Pension : 06 Years, 10 Months23 Days
10. Last drawn pay at the time of death : Rs.17500

Calculation of Family Pension:

Basic family Pension @ 30% of pay of Rs.19600.00 (A) Rs. 5250

More info

Twice the Family Pension (B) Rs. 10500

Add: DA @ 80.25% on (B) (C) Rs. 8426.25

Total Family Pension (B) + (C) Rs. 18926.25

CHART 1 AFTER 30% UNIFORM FAMILY PENSION

See my Google file https://docs.google.com/spreadsheets/d/1NNwto9pJzgyxk5_nyeU8Lqy7pGpzw4H2/edit#gid=571655481

CHART 1 AFTER 30% UNIFORM FAMILY PENSION

Family Pension Revision effective from April 2021

V Bipartite

					REVISED			D.R	
Basic Pay		MINIMUM TOTAL	MAXIMUM INCREASE		BASIC PENSION	D.R	TOTAL	PENSION	
815	375	375	375	4552.65	4927.65	375	4552.65	4927.65	0
1520	450	456	450	5463.18	5913.18	456	5536.0224	5992.02	78.84
900	450	450	40000	485616.00	525616.00	450	5463.18	5913.18	0
2860	600	858	600	7284.24	7884.24	858	10416.4632	11274.46	3390.22

2100	600	630	600	7284.24	7884.24	630	7648.45	8278.45	394.21
4020	603	1206	603	7320.66	7923.66	1206	14641.3224	15847.32	7923.66
3060	600	918	600	7284.24	7884.24	918	11144.8872	12062.89	4178.65
4390	659	1305	659	8000.52	8659.52	1305	15723.63	17028.63	8369.11
4020	603	1206	603	7320.66	7923.66	1206	14641.3224	15847.32	7923.66
4910	736	1473	736	8935.33	9671.33	1473	17397.918	18870.92	9199.58
4520	678	1356	678	8231.19	8909.19	1356	16231.90	17587.90	8678.70
5350	802	1605	802	9736.60	10538.60	1605	18713.43	20318.43	9779.83
5350	802	1605	802	9736.60	10538.60	1605	18713.43	20318.43	9779.83
5950	892	1785	892	10829.24	11721.24	1785	20507.31	22292.31	10571.07
5950	892	1785	892	10829.24	11721.24	1785	20507.31	22292.31	10571.07
6550	982	1965	982	11921.87	12903.87	1965	22301.19	24266.19	11362.32
6400	960	1920	960	11654.78	12614.78	1920	21852.72	23772.72	11157.94
7000	1050	2100	1050	12747.42	13797.42	2100	23247.96	25347.96	11550.54

FAMILY PENSION + DA TO THE FAMILY OF DECEASED EMPLOYEES WHO RETIRED/DIED DURING 6TH BPS - NOV. 92/JULY 1993 TO MARCH 1998

As on Sept. 2021

(EXAMPLES TAKEN AT MAX. OF PAYSCALE)	PRESENT FAMILY PENSION + DA	REVISED FAMILY PENSION + DA	INCREASE IN SEPT. 2021
SUBSTAFF	5971	7311	1340
CLERK	7984	13663	5679
SCALE I OFFICER	8380	16752	8372
SCALE II OFFICER	9102	17978	8876
SCALE III OFFICER	10102	19684	9582
SCALE IV OFFICER	10879	21017	10138
SCALE V OFFICER	11921	22789	10868
SCALE VI OFFICER	13171	24921	11750
SCALE VII OFFICER	14580	26478	11898

FAMILY PENSION + DA TO THE FAMILY OF DECEASED EMPLOYEES WHO RETIRED/DIED DURING 7TH BPS - APRIL 1998 TO OCT. 2002

As on Sept. 2021

EXAMPLES TAKEN AT MAX. OF PAYSCALE)	PRESENT FAMILY PENSION + DA	REVISED FAMILY PENSION + DA	INCREASE IN SEPT. 2021
SUBSTAFF	5999	8342	2343
CLERK	8019	15515	7496
SCALE I OFFICER	8941	17750	8809
SCALE II OFFICER	9669	19013	9344
SCALE III OFFICER	11508	22208	10700
SCALE IV OFFICER	11508	22208	10700
SCALE V OFFICER	12550	24016	11466
SCALE VI OFFICER	13790	25981	12191
SCALE VII OFFICER	15188	27316	12128

FAMILY PENSION + DA TO THE FAMILY OF DECEASED EMPLOYEES WHO RETIRED/DIED DURING 8TH BPS - NOV. 2002 TO OCT 2007

As on Sept. 2021

(EXAMPLES TAKEN AT MAX. OF PAYSCALE)	PRESENT FAMILY PENSION + DA	REVISED FAMILY PENSION + DA	INCREASE IN SEPT. 2021
SUBSTAFF	6506	9758	3252
CLERK	8805	17614	8809
SCALE I OFFICER	10588	21175	10587
SCALE II OFFICER	10588	21175	10587
SCALE III OFFICER	12809	25618	12809
SCALE IV OFFICER	12830	25661	12831
SCALE V OFFICER	14148	28297	14149
SCALE VI OFFICER	15594	31189	15595
SCALE VII OFFICER	16952	34654	17702

Chapter 7

Important points a PSB Retiree needs to know on Pension and Family Pension*

EXTENSION OF PERIOD FOR SUBMISSION OF LIFE CERTIFICATE FROM OCTOBER 2020 TILL DECEMBER 2020.

No.18/1/2020-P&PW(C)-6681

Government of India

Ministry of Personnel, Public Grievances & Pension

Department of Pension & Pensioners Welfare

*****

8th Floor, Janpath Bhavan, Janpath, New Delhi, Dated: 11th September, 2020

OFFICE MEMORANDUM

Subject: - Extension of period for submission of Life Certificate from October 2020 till December 2020

1. Every Central Government pensioner has to submit life certificate in the month of November for further continuation of his/her pension. It has been observed that a large number of Central Government pensioners physically visit bank branches for this purpose.

2. Earlier, as a measure to enable additional dedicated time to very senior pensioners, this department, vide its OM No. 1/20/2018-P&PW(E), dated 18.07.2019, allowed the pensioners in the age group of 80 years and above, to submit Life Certificate from 1st October onward instead of 1st November, every year.

3. In view of the on-going Covid-19 pandemic and keeping in view of the vulnerability of elderly population to Corona Virus, it has now been decided to extend the existing timeline for submission of Life Certificate. This year, all Central Government pensioners may submit Life Certificate from 1st November, 2020 onward, till 31st December 2020. However, the pensioners in the age group of 80 years and above, can submit Life Certificate from 1st October, 2020 onwards, to 31st December, 2020. During this extended period, the pension will be continued to be paid by the Pension Disbursing Authorities (PDAs) uninterrupted.

4. Further, in the line of RBI notification no. RBI/2019-20/138, dated January 9, 2020, which permits Video based Customer Identification Process (V-CIP) as a consent based alternate method of establishing the customer s identity, PDAs may also explore the said methodology for obtaining a Life Certificate from the pensioner, to the extent permitted by RBI guidelines, in order to avoid rush at the branches.

5. The above measures are expected to avoid rush at branches and maintain social distancing, while obtaining Life Certificates from the elderly this year. PDAs shall also ensure proper arrangements and social distancing measures at the branches and prevent overcrowding.

6. All Pension Disbursing Authorities are requested to take note of this OM for compliance and give wide publicity to the same amongst the pensioners.

These issues with the approval of the competent authority.

DEDUCTION OF INCOME TAX AT SOURCE FOR CENTRAL GOVERNMENT /STATE GOVERNMENT PENSIONERS.

As per the provision of section 192 of Income Tax Act 1961 the paying Branch shall be responsible for deduction of income Tax at source from the. Pension payment in accordance with the rate prescribed from time to Time

The relief admissible for deduction of tax at source to salaried personnel shall also apply to Pensioners.

Pension Disbursing Branch will issue Tax deduction Certificate in the prescribed format to the pensioners. Annual Income Certificate will also be issued to the pensioner whose Income tax is not deducted at source, on written request from the pensioner.

Note

1. The entire disability Pension i.e. disability element and service element shall be exempted from Income Tax.'

2. Family Pension is chargeable to tax under the head of "Income from other sources" for which there is no provision for deduction of tax at source. Branches need not deduct at source on Family Pension payments.

Chapter 8

JEEVAN PRANAM DIGITAL PENSIONERS LIFE CERTIFICATE

Jeevan Pramaan is a biometric enabled digital service for pensioners. Pensioners of Central Government, State Government or any other Government organization can take benefit of this facility.

More than One Crore families in India can be classified as pensioner families, where the pension disbursed by the various government bodies forms the basis for their income and sustainability. There are about Fifty Lakh pensioners of the Central Government and a similar number of the various State and UT Governments and various other government agencies. This includes pensioners from the various public sector enterprises. In addition to this Army and Defence Personnel drawing pension exceeds Twenty-five lakhs.

One of the major requisite for the pensioners post their retirement from service, is to provide life certificates to the authorized pension disbursing agencies like Banks,Post offices etc., following which their pension is credited to their account. In order to get this life certificate the individual drawing the pension is required to either personally present oneself before the Pension Disbursing Agency or have the Life Certificate issued by authority where they have served earlier and have it delivered to the disbursing agency.

This very requirement of personally being present in front of the disbursing agency or getting a life certificate often becomes a major hurdle in the process of seamless transfer of pension amount to the pensioner. It has been noted that it causes a lot of hardship and unnecessary inconvenience particularly for the aged and infirm pensioners who cannot always be in a position to present themselves in front of the particular authority to secure their life certificate. In addition to this a lot of government employees post their retirement choose to move to a different location either to be with their family or other reasons, hence causing a huge logistical issue when it comes to accessing their rightful pension amount.

Digital Life Certificate for Pensioners Scheme of the Government of India known as Jeevan Pramaan seeks to address this very problem by digitizing the whole process of securing the life certificate. It aims to streamline the process of getting this certificate and making it hassle free and much easier for the pensioners. With this initiative the pensioners requirement to physically present himself/herself in front of the disbursing agency or the certification authority will become a thing of the past benefiting the pensioners in a huge way and cutting down on unnecessary logistical hurdles.

How it works

Aadhaar Authentication

Provide your biometrics, either a finger print or Iris and authenticate yourself. (Jeevan Pramaan uses the Aadhaar Platform for on-line biometric authentication) **Life Certificate.**

After a successful authentication a SMS acknowledgement is sent to your mobile number including your Jeevan Pramaan Certificate ID.

The certificates are stored in the Life Certificate Repository for making it available anytime and anywhere for the pensioner and the Pension Disbursing Agency.

Access your Certificate

You can download a PDF copy of the certificate from the Jeevan Pramaan website by providing the Jeevan Pramaan ID.

Pension Disbursing Agency

The Pension Disbursing Agency can access the Life Certificate from the Jeevan Pramaan website, and download the same.

Electronic Delivery

The Life Certificates can also be electronically delivered to the Pension Disbursing Agency, without any manual intervention.

(Pension Disbursing Agency can get in touch with our team, to enable the e-delivery facility)

Source https://jeevanpramaan.gov.in/

PENSIONERS CAN GET LIFE CERTIFICATE AT DOORSTEP Govt pensioners can submit life certificate at home by paying Rs 60

The Ministry of Personnel, Public Grievances & Pensions has instructed pension disbursing banks to provide the facility of submission of life certificate by pensioners who don't submit it by Nov 30, at their doorstep for a charge not exceeding Rs 60. These instructions were issued via a circular dated January 17, 2020.

In a big relief for pensioners, the central government has recently started a new doorstep service for submission of Digital Life Certificate (DLC) through postmen. The India Post Payments Bank of the Department of Posts and the Ministry of Electronics and Information Technology (MeitY) have launched the initiative of the Department of Pension & Pensioners Welfare (DoPPW).

"Pensioners of Central Government, state government, EPFO or any other government organizations can take benefit of this facility at doorstep or at any post offices," the statement added.

Digital Life Certificate is a biometric enabled digital service for pensioners. The facility to submit life certificate online via Jeevan Pramaan Portal was launched by Prime Minister Narendra Modi in November, 2014 to provide a convenient and transparent facility to pensioners for submission of Life Certificate, said a release.

"In order to make this facility available across the country, DoPPW roped in the India Post Payments Bank (IPPB) and utilised its huge network of postmen and gramin dak sevaks in providing doorstep facility to pensioners for submission of life certificate digitally," it said.

"The pensioners need not visit office of pension department or pension disbursing agency for submission of life certificate," the central government said.

Pensioners can book doorstep request on post info mobile app or government website. The certificate will be instantly generated with Pramaan ID sent to pensioners' mobile. The Life Certificate details will be automatically updated with the pension department.

The paperless issuance of Digital Life Certificate with Aadhaar authentication will be available at your doorstep. Documents needed for the generation of the Digital Life Certificate: 1) Pension ID, 2) Pension Payment order, 3) Pension Disbursing department, 4) Bank account details, 5) Mobile Number and Email ID, 6) Aadhaar Number.

The service will attract a nominal fee of ₹ 70.

"In view of the current pandemic, it is a huge relief for pensioners to submit life certificates while staying at home," the government said. IPPB is utilising its national network of over 1,36,000 access points in post offices and more than 1,89,000 postmen and Gramin Dak Sevaks with smartphones and biometric devices to provide doorstep banking services, it said.

EXTENSION OF PERIOD FOR SUBMISSION OF LIFE CERTIFICATE FROM OCTOBER 2020 TILL DECEMBER 2020.

No.18/1/2020-P&PW(C)-6681

Government of India

Ministry of Personnel, Public Grievances & Pension

Department of Pension & Pensioners Welfare

*****

8th Floor, Janpath Bhavan, Janpath, New Delhi, Dated: 11th September, 2020

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2. Earlier, as a measure to enable additional dedicated time to very senior pensioners, this department, vide its OM No. 1/20/2018-P&PW(E), dated 18.07.2019, allowed the pensioners in the age group of 80 years and above, to submit Life Certificate from 1st October onward instead of 1st November, every year.
3. In view of the on-going Covid-19 pandemic and keeping in view of the vulnerability of elderly population to Corona Virus, it has now been decided to extend the existing timeline for submission of Life Certificate. This year, all Central Government pensioners may submit Life Certificate from 1st November, 2020 onward, till 31st December 2020. However, the pensioners in the age group of 80 years and above, can submit Life Certificate from 1st October, 2020 onwards, to 31st December, 2020. During this extended period, the pension will be continued to be paid by the Pension Disbursing Authorities (PDAs) uninterrupted.
4. Further, in the line of RBI notification no. RBI/2019-20/138, dated January 9, 2020, which permits Video based Customer Identification Process (V-CIP) as a consent based alternate method of establishing the customer s identity, PDAs may also explore the said methodology for obtaining a Life Certificate from the pensioner, to the extent permitted by RBI guidelines, in order to avoid rush at the branches.
5. The above measures are expected to avoid rush at branches and maintain social distancing, while obtaining Life Certificates from the elderly this year. PDAs shall also ensure proper arrangements and social distancing measures at the branches and prevent overcrowding.
6. All Pension Disbursing Authorities are requested to take note of this OM for compliance and give wide publicity to the same amongst the pensioners.

This issues with the approval of the competent authority.

GUIDELINES FOR PENSIONERS FROM PENSIONERS PORTAL GOVT. OF INDIA GUIDELINES

Submission of Claims:

Ensure to submit your claims in the prescribed proforma for grant of pension/gratuity/commutation/revision to your Head of Office at least six months before the date of your retirement so that the Pension Payment Order (PPO) reaches you through your Head of Office before your retirement. Remember that the processing, verification and authorization of these claims may involve several levels and one or more offices which require sufficient time and effort to be accurate.

Verification of PPO:

As soon as you receive your PPO, please verify the pensionary awards notified in the PPO for their correctness as per extant rules. In case of any correction(s) required in the PPO, please contact your Head of Office/Pension Disbursing Agency for necessary action in this regard.

Physically Disabled/Mentally Retarded Children:

If you have any physically disabled or mentally retarded child/children, please ensure that his/their details are furnished to your Head of Office for making an endorsement in your service and pension record and obtain an acknowledgement of this intimation.

Transfer of Pension Account:

If you desire to draw your pension from another paying agency, make a request to your current Pension Disbursing Agency (PDA) for transfer of your pension account to the PDA from where you now wish to draw your pension.

Restoration of Commuted Pension:

Commuted portion of your pension can be restored on completion of 15 years from the date of receipt of the commuted value of your pension. In case the same has not been restored, contact your P.D.A./pension paying bank.

Commutation of Pension:

Commuted portion of pension is required to be reduced from pension from the date of payment of the commuted value of the pension or after three months from the date of issue of PPO or from the date, capitalized sum is credited to the pensioners account. If the commuted portion of pension is not reduced as above, bring this to the notice of your PDA immediately to avoid a heavy recovery later.

Nomination for Life Time Arrears:

Please ensure to nominate the person to whom you want to authorize Life Time Arrears (LTA) on your demise. The nomination form should be submitted to your PDA. You can also change the nomination by submitting a change nomination form to your PDA to avoid any hardship to your nominee in receiving the amount of LTA.

Loss of PPO:

Notify your PDA immediately if your PPO is lost. You should also request him to furnish a loss certificate to the concerned authority to obtain a duplicate copy of PPO.

Annual Life Certificate:

For annual life certificate, you should appear before your PDA in the month of November every year. In case, you are unable to appear due to bodily illness or infirmity, you can submit your life certificate duly authenticated by any of the specified authorities. You also have option to submit your digital life certificate using your Aadhar card based authentication through Jeewan Pramaan. In case of NRI pensioners/family pensioners who are unable to come to India for personal identification may be allowed pension/family pension on the basis of a certificate to be issued by an authorised official of the India Embassy/High Commission of India or Consul of India consulate in the country where the pensioner is residing. This certificate is to be issued on verification of Pensioner/Family Pensioner on the basis of photograph pasted on Passport or any other such document. Otherwise, the pension may be stopped.

Commercial Employment after Retirement:

Ensure to obtain prior permission from the competent authority for accepting any commercial employment within one year of your retirement.

Post-retirement Conviction/Imprisonment:

If a pensioner is convicted or sentenced to imprisonment by a Court, his pension will be suspended. In the event of conviction/imprisonment by a court of law, full facts of the case should be reported to your PDA/Head of Office.

Changes in the family after discharge from service:

Post discharge changes in the details of your family arising out of your marriage or children born to you after your retirement should be intimated to your Head of Office with full details and relevant certificates. Also ensure that a joint notification of your family pension is done by pursuing the matter with your Head of Office.

Re-employment of pensioners:

In case of re-employment in any Central or State Government /autonomous bodies/Public Sector Undertakings, please submit the full facts of the same to your PDA immediately after its occurrence. In case of non-reemployment, a declaration to this effect should be given to your PDA periodically (once in a year in the month of May positively).

Payment of pension through Authorised Banks:

Pension cannot be paid in cash. Hence open an individual savings/current account in your name preferably joint account with your spouse, if the spouses name is notified for family pension in the PPO, in any of the branches of the Authorized Banks and furnish the details of the same to your Head of Office so that pension can be credited to your bank account.

Court Attachment:

Pension, whether due or to become due, is free from attachment from any court until it has actually been paid as per the Pension Act. No pensioner can assign or sell any interest in respect of the pension not then due.

If you are in receipt of more than one pension, you should furnish full details to your PDA for revision of both the pensions and regulating dearness relief thereon.

Submission of Periodic Certificates:

Submit periodic certificates regarding re-employment/employment, remarriage/marriage to your PDA on due dates in order to regulate your pension correctly.

Missing Pensioner:

If a pensioner is found missing, his family should lodge an F.I.R. with the police authorities. If the pensioner is not traced by six months, a certificate should be obtained from the police authorities to this effect, and the matter should be reported to PDA, along with the submission of an Indemnity Bond so that the matter could be pursued with the concerned authorities for sanction of family pension from the date of lodging the F.I.R..

Arrear of Pension:

If the pension is not drawn for more than a year, for any reason, it becomes time-barred and would require the sanction of the competent authority. The arrear claim should be submitted in the prescribed form to your PDA with explanation for delay, non-reemployment and non- conviction certificates for obtaining the sanction for payment of the arrears.

Non-Resident Indian (NRI) Pensioners:

The NRI Pensioners should open an ordinary non-resident bank account in any scheduled bank in India as per the provision of the exchange control. They should also submit life certificate and nationality certificate as prescribed to enable the credit of pension amount due to them in to their accounts.

Source

https://pensionersportal.gov.in/guidelines.asp

Commuted portion of pension is required to be reduced from pension from the date of payment of the commuted value of the pension or after three months from the date of issue of PPO or from the date, capitalized sum is credited to the pensioners account. If the commutedportion of pension is not reduced as above, bring this to the notice of your PDA immediately to avoid a heavy recovery later.

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Loss of PPO:

Notify your PDA immediately if your PPO is lost. You should also request him to furnish a loss certificate to the concerned authority to obtain a duplicate copy of PPO.

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Changes in the family after discharge from service:

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Payment of pension through Authorised Banks:

Pension cannot be paid in cash. Hence open an individual savings/current account in your name preferably joint account with your spouse, if the spouses name is notified for family pension in the PPO, in any of the branches of the Authorized Banks and furnish the details of the same to your Head of Office so that pension can be credited to your bank account.

Court Attachment:

Pension, whether due or to become due, is free from attachment from any court until it has actually been paid as per the Pension Act. No pensioner can assign or sell any interest in respect of the pension not then due.

Receipt of Two Pensions:

If you are in receipt of more than one pension, you should furnish full details to your PDA for revision of both the pensions and regulating dearness relief thereon.

Submission of Periodic Certificates:

Submit periodic certificates regarding re-employment/employment, remarriage/marriage to your PDA on due dates in order to regulate your pension correctly.

Missing Pensioner:

If a pensioner is found missing, his family should lodge an F.I.R. with the police authorities. If the pensioner is not traced by six months, a certificate should be obtained from the police authorities to this effect, and the matter should be reported to PDA, along with the submission of an Indemnity Bond so that the matter could be pursued with the concerned authorities for sanction of family pension from the date of lodging the F.I.R.

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Non-Resident Indian (NRI) Pensioners:

The NRI Pensioners should open an ordinary non-resident bank account in any scheduled bank in India as per the provision of the exchange control. They should also submit life certificate and nationality certificate as prescribed to enable the credit of pension amount due to them in to their accounts.

Source : https://pensionersportal.gov.in/guidelines.asp

Chapter 9

PENSIONERS' LOAN SCHEME

(Ref. Retail Banking & Marketing Department Circular No.ADV/002/2011 – 2012 dated 05.04.2011)

Our bank has been extending loan facility to pensioners since 2003 with various modifications as and when required. Following are the norms presently in vogue as per circular cited above.

PURPOSE: To meet any personal expenses (end use need not be verified)

ELIGIBILITY: All pensioners receiving pension through our bank branch except Malaysian Government pensioners.

QUANTUM: Age of the pensioner Quantum

Upto 70 years 15 times of monthly pension (or) Rs. 5 lacs whichever is less Above 70 years 15 times of monthly pension (or) Rs. 3 lacs whichever is less **FOR FAMILY PENSIONERS**

Age of the pensioner Quantum

Upto 70 years 10 times of monthly pension (or) Rs. 3 lacs whichever is less Above 70 years 10 times of monthly pension (or) Rs. 2 lacs whichever is less REPAYMENT PERIOD: Repayable out of pension amount in

60 Equated monthly instalments for those upto 70 years

36 Equated monthly instalments for those above 70 years.

INTEREST RATE: MCLR + 1.75 % for IOB pensioners.

SECURITY: NIL.

Obtaining undertaking letter is waived for Ex-staff members of the Bank who are drawing pension from the Bank.

FESTIVAL LOAN (INTEREST BEARING) FOR IOB PENSIONERS:

(Ref. Marketing & Development Circular No.ADV/86/2011-2012 dated 21.10.2011)

Bank has been extending Festival Loan to all IOB retirees who are drawing pension from the bank, once in a year, for celebrating festivals.

PURPOSE To celebrate festival, once in a year.

ELIGIBLE PENSIONERS To IOB pensioners only. However, IOB Family pensioners are not eligible.

NORMS FOR ELIGIBILITY Eligible to avail once in a calendar year only.

Under any circumstances, not eligible for more than one festival loan in a calendar year. There should be no outstanding under earlier festival loan, if any, availed.

The Festival Loan instalment, including that of Pensioner's Loan, if any availed, should not exceed 50% of the monthly pension.

QUANTUM OF LOAN

Equivalent to previous one month pension amount.

Outstanding under Pension Loan and Festival Loan be granted should not exceed Rs.5.00 lacs for those not above 70 years of age and Rs.3.00 lac for those who are over 70 years of age.

Repayment Repayable in 10 Equated Monthly Instalment, irrespective of age group. Instalment should be recovered from the pension amount every month.

INTEREST MCLR + 1.75% for IOB Pensioners

SECURITY N I L

REVERSE MORTGAGE LOAN:

(Ref. Retail Banking & Marketing Department Circular No.ADV/188/2012-13 dated 06.06.2013)

In order to provide regular cash flow to senior citizens supplementing the pension or any other income and addressing their financial requirements, National Housing Bank has introduced the scheme called "Reversed Mortgage". This is considered as a structured Social Security Scheme for the senior citizens in our country.

Salient features of the scheme: ELIGIBILITY: Applicant should have completed 60 years of age.

Loan jointly with spouse is permitted provided the first named applicant is a Senior Citizen and the age of the spouse is not below 55 years. In the event of death of the prime borrower, his/her

spouse will become eligible to receive the loan amount irrespective of her / his age.

Applicant must own a self-acquired, self-occupied residential property (house or flat) located in India with clear and transferable title, free from any encumbrance.

The residual life of the property should be not less than 20 years as per certificate of Bank's approved Valuer / Engineer.

Commercial property is not eligible for this loan.

PURPOSE:

For anyone of the following purposes.

Medical expenses or maintenance of family.

Supplementing pension or any other income.

For up-gradation, repair, renovation or extension of the house property or any other expenses relating to maintenance of the property.

Meeting any other need.

Loan amount should not be used for speculative, trading or business proposals.

QUANTUM OF LOAN:

Minimum Rs.5.00 lacs and maximum is restricted to Rs.100 lacs subject to: -

Loan amount will be decided based on Market Value of the property, Age of the borrower and the Rate of Interest prevailing.

The quantum of loan may undergo revision based on revaluation of property (to be done once in every 3 years. The option is left with the borrower to continue the loan with revised value and interest OR to discontinue the loan.

Expected future increase in property value will not be reckoned for determining the loan amount.

Bank will ensure that the equity of the borrower in the residential property (Loan to

Value Ratio –LTV) does not fall below 10% at any time during the tenor of the loan.

MARGIN:

75% of the Market Value of the mortgaged property is taken as eligible loan amount. 45% of this eligible loan amount is dispersed to the borrower as monthly annuity with maximum cap of Rs.50,000/ - and the balance 55% is apportioned towards Interest accumulated during the loan period.

TENURE OF THE LOAN:

Uniform loan period of maximum of 15 years.

INTEREST RATE: MCLR + 0.75%. **PROCESSING CHARGES:**

0.50% of the loan amount subject to a maximum of Rs.10,000/-.

SECURITY:

Registered Memorandum of deposit of title deeds of the house (residential) property against which the loan is granted.

DISBURSEMENT OF LOAN:

The loan amount will be disbursed as fixed monthly payments over the duration of the loan or till the demise of last surviving borrower or till the last surviving borrower leaving the house property permanently, whichever is earlier.

A lump sum payment of Upto 50% of total eligible amount of loan subject to a cap of Rs.15 lacs will be disbursed for meeting Medical treatment for self, spouse and dependents.

Where the borrower require lump sum amount after few years of commencement of the loan, the residual value arrived for the property will be disbursed subject to a maximum of Rs.15.00 lacs.

Balance will be eligible for periodic payment.

FORECLOSURE OF LOAN:

Repayment concept is not applicable to this scheme.

If the borrower desires, quarterly or half yearly repayments can be made to the loan account.

The borrower has the option at any time during the loan period to pay the entire loan amount with accumulated interest.

No pre-payment charges will be levied.

SETTLEMENT OF THE LOAN:

The loan will become due for recovery and payable six months after the death of the last surviving spouse.

Loan along with accumulated interest will be adjusted by sale of the property mortgaged and any surplus will be paid to the Heirs.

However, the legal heirs of the deceased borrowers will be given an option to settle the loan along with the accumulated interest without sale of the property.

Chapter 10
OTHER BENEFITS

1.PL Encashment:

Eligible components of Pay and allowances are Basic Pay, Dearness Allowance, HRA, CCA, Split Duty allowance, Special Area Allowance, Project Area Allowance, Hill and Fuel Allowance, PQP, Deputation allowance, Personal allowance, Fixed Pay Allowances and Notional HRA applicable to the place of posting (if quarters provided) is to be included. The pro-rata PL earned during the year till the date of retirement is to be credited to the PL account. Payments are made at the Branch/Office where the employee has retired from service. Maximum of 240 days of PL can be encashed.

Encashment of privilege leave on retirement is exempt upto a maximum of 3,00,000/- which is to be calculated on the basis of Average Salary (BP + D.A + Other Allowances ranking for EPF) drawn during the last 10 months immediately preceding cessation of service.

2. Commercial Employment:

Pension optee officers : As per scheme 1995, Pensioners have to seek prior permission from the Bank (HO:SWD) for accepting commercial employment within a period of 2 years after retirement. The proforma of the application is furnished in Annexure 9. The application should be forwarded through PD:PAD:HO:Manipal in the case of executives and respective ROs in the case of other officers.

Non - Pension optee officers : As per, scheme non-Pension optees have to take prior permission from the Bank (HO:SWD) for accepting commercial employment within a period of 2 years after retirement. The proforma of the application is furnished in Annexure 8. The application should be forwarded through PD:PAD:HO:Manipal in the case of executives and respective ROs in the case of other officers.

3. Services Charges to ex-staff members

(a) All terminal benefits of retired staff can be remitted at par to a branch where the retired staff desires/to a branch nearer to the place where he desires to settle, after recovering all direct and indirect liabilities.

(b) At par remittance facilities may be granted in respect of RETIRED staff members of our Bank and also of other Banks who are not gainfully employed and maintain their accounts with us, up to ‘10,000/- per month. The branches have to ensure that this facility is used by the retired staff for their genuine requirements only i.e., remittance of the amount of matured LIC policies, gratuity or other remittance in the normal course etc. and this facility should not be used for business purposes or to assist the other family members or friends to remit their funds.

(c) At par collection of cheques/drafts/dividend and interest warrants be permitted to ex-staff members of the Banks who are not gainfully employed, up to 5,000/- per month provided they maintain their accounts with us and the instruments are drawn in their favour.

Note:

(a) For ex-staff of other Banks, these facilities may be extended provided there is no branch of the Bank with whom he/she had served at the station/centre where facilities are asked for.

(b) Ex-staff of other Banks should identify himself to the satisfaction of the concerned Head of Branch to the extent that he/she is a retired employee of a particular Public Sector Bank.

(c) Immediate credit of outstation cheques/drafts up to ‘15,000/- may be permitted and collection charges need not be collected from the retired staff.

(d) Ledger folio charges are waived to retired staff members provided the accounts are operated for personal purposes only and not for any commercial purposes.

(e) No charges need be collected for standing instructions issued by the retired staff. (f) Postage and out of pocket expenses should be collected in all the cases

(g) Free/concessional remittance facilities, at par collection of instruments under speed clearing available to customers of the Bank are applicable to Ex-Staff also.

4 SB Account with or without cheque book: No minimum balance stipulation for senior citizen/ex-staff account holders

5. Benefit of additional interest: Additional interest of 1% is admissible on deposits of retired staff (including those who have taken VRS). Spouse of the deceased staff is also eligible for this additional interest.

Senior citizen ex-staff are eligible for additional interest of 0.50% applicable to Senior Citizens on their term deposits in addition to 1% additional interest applicable to retired staff.

6. Loan against pension: Ex-staff members drawing pension are eligible for loan against pension under scheme as applicable to General Public/customers.

7.Banks / unions/ officer association holiday homes : All retried staff members are entitled for all banks, / unions/ officer association at ALL HOLDAY HOMES in various places.

8.LEAVE TRVEL CONCESSION: the retried employees are eligible for availment of LFC/LTC within a period of two moths from the date of superannuation.

9.ISSUE OF IDENTITY CARDS : All retried employees will be issued an identity card on submission pension application with latest passport size photograph.

Chapter 11

BANKING FACILITY FOR SENIOR CITIZENS AND DIFFERENTLY ABLED PERSONS

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2017-18/89

DBR.No.Leg.BC.96/09.07.005/2017-18 November 9, 2017

All Scheduled Commercial Banks (including RRBs) All Small Finance Banks and Payments Banks

Dear Sir/ Madam

Statement on Developmental and Regulatory Policies - October 4, 2017- Banking Facility for Senior Citizens and Differently abled Persons

Please refer to Paragraph 8 of Statement on Developmental and Regulatory Policies, released by Reserve Bank of India on October 4, 2017 as part of Fourth Bi- monthly Monetary Policy Statement 2017-18, a copy of which is enclosed. It has been observed that there are occasions when banks discourage or turn away senior citizens and differently abled persons from availing banking facilities in branches. Notwithstanding the need to push digital transactions and use of ATMs, it is imperative to be sensitive to the requirements of senior citizens and differently abled persons.

2. In view of the above, banks are required to put in place appropriate mechanism with the following specific provisions for meeting the needs of such customers so that they are able to avail of the bank's services without difficulty.

(a) Dedicated Counters/Preference to Senior Citizens, Differently abled persons

Banks are advised to provide a clearly identifiable dedicated counter or a counter which provides priority to senior citizens and people who are differently abled Including visually impaired persons.

(b) Ease of submitting Life Certificate

As per extant guidelines issued by Department of Government and Bank Accounts, in addition to the facility of Digital Life Certificate under "Jeevan Praman" Scheme (refer circular DGBA.GAD.H-2529/45.01.001/2014-15 dated December 9, 2014), pensioners can submit physical Life Certificate form at any branch of the pension paying bank. However, it is observed that often the same is not updated promptly by the receiving branch in the Core Banking Solution (CBS) system of the bank, resulting in avoidable hardship to the pensioners. It is, therefore, advised that banks shall ensure that when a Life Certificate is submitted in any branch, including a non- home branch, of the pension paying bank, the same is updated/ uploaded promptly in CBS by the receiving branch itself, to avoid any delay in credit of pension.

(c) Cheque Book Facility

(i) Banks shall issue cheque books to customers, whenever a request is received, through a requisition slip which is part of the cheque book issued earlier.

(ii) Banks are advised to provide minimum 25 cheque leaves every year, if requested, in savings bank account, free of charge.

(iii) Banks shall not insist on physical presence of any customer including senior citizens and differently abled persons for getting cheque books.

(iv) Banks may also issue cheque books, on requisition, by any other mode as per bank's laid down policy.

It is further clarified that providing such facility in BSBDA will not render the account to be classified as non-BSBDA (c.f. Bank's response to query number 14 and 24 of our circular "DBOD.No. Leg. BC.52/09.07.005/2013-14 dated September 11, 2013 on Financial Inclusion – Access to Banking Services - BSBDA – FAQs").

(d) Automatic conversion of status of accounts : Presently, in some banks, even fully KYC - compliant accounts are not automatically converted into 'Senior Citizen Accounts' on the basis of date of birth maintained in the bank's records. Banks are advised that a fully KYC compliant account should automatically be converted into a 'Senior Citizen Account' based on the date of birth available in bank's records.

(e) Additional Facilities to visually impaired customers : Banks are advised that the facilities provided to sick/old/incapacitated persons vide Paragraph 9 of our Master Circular DBR.No.Leg.BC.21/09.07.006/2015-16 dated July 1, 2015 on Customer Service in Banks (regarding operations of accounts through identification of thumb/toe impression/mark by two independent witnesses and authorizing a person who would withdraw the amount on behalf of such customers) shall also be extended to the visually impaired customers.

(f) Ease of filing Form 15G/H

Banks are advised to provide senior citizens and differently abled persons Form

15G/H once in a year (preferably in April) to enable them to submit the same, where applicable, within the stipulated time.

(g) Door Step Banking: We have issued instructions on Doorstep Banking vide circular DBOD.No.BL.BC.59/22.01.010/2006-2007 dated February 21, 2007 under Section 23 of Banking Regulation Act, 1949. However, in view of the difficulties faced by senior citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired, banks are advised to make concerted effort to provide basic banking facilities, such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents and Life certificate at the premises/ residence of such customers.

3. Banks are advised to implement these instructions by December 31, 2017 in letter and spirit and give due publicity in their bank branches and website.

Statement on Developmental and Regulatory Policies, Reserve Bank of India issued by the Governor on October 4, 2017

8. Banking Facility for Senior Citizens and Differently abled Persons

It has been reported that banks are discouraging or turning away senior citizens and differently abled persons from availing banking facilities in branches. Notwithstanding the need to push digital transactions and use of ATMs, it is imperative to be sensitive to the requirements of senior citizens and differently abled persons. It has been decided to instruct banks to put in place explicit mechanisms for meeting the needs of such persons so that they do not feel marginalized. Ombudsmen will also be advised to pay heed to complaints in this context. Necessary instructions in this regard will be issued by end-October 2017.

SCHEME FOR PAYMENT OF PENSIONS TO CENTRAL GOVERNMENT CIVIL PENSIONERS by AUTHORISED BANKS

(Fifth Edition, July 2021) Issued by Ministry of Finance Department of Expenditure office of the Controller General of Accounts CENTRAL PENSION ACCOUNTING OFFICE

SEE

https://cpao.nic.in/pdf/new_scheme_booklet_cpao_banks.pdf

Chapter 12

GENERAL KNOWLEDGE FOR PENSIONERS AND FAMILY PENSIONERS

When person's retire after long service, it brings to an end one phase of their life. On retirement, they' lose everything they were used to while in service. Those retired from supervisory, managerial and officers posts, lese their peons, telephones in offices and residences, and many petty jobs which someone or other Used to do for them because of their official position, turns into onerous tasks for, themselves to do personally. They enter into a new environment with altogether different concepts.

All the employees even after 'retirement from service will still need a minimum income to take care of their regular expenditure requirement. The elderly. people are always insecure socially and financially, to help their families survive without humiliation Their needs for health care and nutrition go up dramatically,

because their reduced immunity to common elements and several age related problems like cataract, heart troubles etc.

Social and economic security to the elderly people has become an absolute necessity today, because for the crumbling joint family system an account of rapid urbanisation migration of youth for jobs. Changing values of toady's younger generation and concept of individualism. the problem of senior citizens more so bank pensioners, has been seriously aggravated during the last 15 years due to denial of heir legitimate demand updation of pension by the GOVT/IBA and THE UNIONS IN NEGOTIATIONS.. Pensioners, today find it difficult provide with families with minimum basic facilities, all due to inflation and major fall of the rupee, steep erosion in their hard eared sweated savings interest rates that has eroded their normal life. they are unable to lead their life even at subsistence with the meagre pension alone. If they are left over with family liabilities they are forced to find some additional source of income to meet their costs. If they are lucky, some retirees manage ot get a house to live in after retirement by investing, all their little savings, i.e. provident fund. Gratuity, commuted pension, leaves encashment, etc.

For, quite a long time, government authorities have been treating the bank retirees callously indifferently and discriminatorily as a mendicant as if they are giving the retirees some charity with the objective of just keeping, them alive. Government had been considering a bank pensioner as an individual who in overnight become a burden to it. Plight of retired employees of earlier years had been more harrowing. A majority of them, has suffered humiliation and had to die after loyal service to the nation for very long time, without being looked after adequately by the government in the evening of their lives.

Every breadwinner has the responsibility to ensure. that, after his death, his spouse is not thrown to wolves, socially or economically. She should not be made to become me a supplicant in the family. Family pension is a social security to be provided to the family~ of a pensioner after his demise, to help her to live with her family above poverty line and lead a reasonably decent life of human dignity at the same standard to which the family was accustomed when the pensioner was alive.

It was only as late as in 1964, late Sri T.T.Krishnamachari introduced the family pension scheme to the pensioners, that too prospectively for post-1964 retirees only. But the Supreme court ordered in 1977 that this family pension scheme should be made equally beneficial to all pre 196'4 retirees also

Central Administrative Tribunal (CAT) held that the two months DCRG amount which have been recovered by the government from the employees retired between 19,64 and 1977 for the eligibility for this family, pension, was highly, Illegal, and ordered that such amounts recovered should be refunded to the pensioners But for introduction of this family pension in1964 by late Sri.TTK widows of pensioners would have gone as destitute unless they were lucky enough to be looked after by their own children.

Pension Act of 1871 is a feudal leftover of British colonial power and it has become obsolete. As per this Act, pensioners cannot even go to any court seek justice. Though the Supreme court has held that many of the provisions of this Act are violating the Constitution, yet the government has not bothered to review this Act.

Immediately after retiring government employees were commuting a portion of their pension amount of only few years. But the commuted pension was never restored to them even if the pensioner live for two or three decades after retirement till the Supreme Court ordered 9.12,1986 that the commuted pension amount must be restored back to pensioners 5 years after the date of commutation.

NOTE:

Immediately after the independence in 1947 all the private companies like MSM,SIR,BB&CI GIP, etc. were nationalised and brought under the Ministry Of Railways. But it was only in1993 that pension scheme came into existence in banks as 2nd retiral benefit instead of 3rd retiral benefit. But pension benefits have been there in SBI since the days of the provincial Banks and, pension benefit introduced during Imperial Bank of India days was extended to SBI employees were long. However family Pension scheme was Introduced In SBI only in 1988, though they launched bitter struggles since 1960 s.

Of late, the plight of senior citizens and pensioners has gone from bad to worse. The price of petrol, diesel and domestic gas has been hiked substantially.. The taxi, auto rickshaw and bus fares have been increased much during the last three years. The electricity tariff rate is being hiked again and again. Postal rates have been Increased substantially. Bank interest rates on fixed deposits has been drastically reduced to half of what existed in 2010 all these have badly senior citizens and pensioners.

All senior citizens have to be treated by the Government with CARE, CONCERN, and C0MPA.SSION. A true welfare state should not go satisfied by taking care of its serving employees only; but the entire older generation including those belonging to the unorganised sectors also needs to be taken care of. Supreme ‘Court has held that: - As per article 21 of India’s Constitution, right to life includes right to live with dignity and, right to health is an integral to right to live.

In developed countries, there are very good post-retirement schemes. There the senior citizens get old age pension, free medical treatment, travel concessions etc. Old age homes, nursing homes retiring homes are set apart for senior citizens. In USA old age pensioners form 18% of the total population and the U.S. Govt, will never take any unilateral decisions on economic and social security of the pensioners without consulting them. Can we in India ever expect, a Similar gesture from any political party or State or Central Government ?Can one ever dream of a mention about welfare of the aged people in India in the election manifestoes of any political party? Has periodic updation of pension uniformly to ALL is mentioned in election manifestoes of any political party?

0wr Minister of State for social Justice and empowerment recently presented a detailed National policy ‘ for the old aged people. some of the good measures mentioned in that policy are long overdue, and they all should be Implemented without any further delay.

The UNO has issued an appeal to all member nations to celebrate the year 1999 as the international year of the aged. today in India there are 60 million senior citizens. There are totally about 36lakhs C G Pensioners of Whom nearly 14' lakhs arepre-1 986 retirees of age 70 plus. About 18 lakhs of the total pensioners belonging services (4.5 lakhs commissioned Officers and 13.5 lakhs PBORs’)’. About 9 lakhs pensioners belong Railways. Around 2 lacs are bank pensioners /

The several legitimate demands of the pensioners had been shelved for decades by the Government. The judgment of 17-12 1982 of the constitution bench [Bench of the Supreme Court of India on Sri Nakra’s Case, is a landmark in the evolution of the pension structure for past pensioners and in the history of Pensioners ‘movement. It was on this. Day that the Supreme Court spelt out the Magna Carta of pensioners. It gave the Pensioners a new lease, of life. That has become the law of the land with regards to pensioners That is why 17th December of every year is celebrated all over India as “pensioners’ Day”.

In that judgement, Supreme Court has affirmed that:-

“state’s obligation to provide social security in old age, an escape from undeserved want, was recognised as the and as a first step, pension was treated as not a reward for past service, but with a view of helping the employees, to avoid destitution in old age. The QUID PRO QUO was that when the employees physically and mentally alert, he rendered the best unto the master expecting him (Master) to look after him in the evening of his life. A pension after retirement therefore exists solely for the purpose of providing benefits. Pension is not in the nature of alms being doled to beggars. Pension is their deferred wage. Pension is their statutory, inalienable and legally enforceable right and it has bee-n earned by the sweat of their brow. The Senior Citizens need to be treated with dignity and courtesy befitting their age."

The IV CPC, presided by Hon. Justice Singhal, had respected all the aspects of the above land mark judgement of the Supreme Court, and had said that:-.

"It has been declared by the Law of the Land in Nakra's Case, that the pensioners form a class by themselves and this class is not divisible for purpose of entitlement and for payment of pension, into those who retired "before" and those who retired "after" a certain date arbitrarily fixed for the purpose. Any such classification will be unrelated to any principle and will be discriminatory and violative of Article 14 of the Constitution. This being the law, the factor to reckon is that, if the formula for computation of pension undergoes a change, it will work back for the benefit of those pensioners who had retired earlier and were not then entitled to its benefits when they retired."

The VCPC, presided by Hon.Justice Rathnavel Pandian has categorically brought out in Para 127.16 of its recommendations submitted to Government in 1997, that:-

The most controversial subject in' the field of pensioners has been the glaring disparity between persons of equivalent rank and status, drawing vastly unequal pensions if they had retired at different points of time. Government had tried to solve the problems partially for the armed forces by adopting „one time increase formula' but this has not met their demand for "one rank - one pension". The inequity among the civilian pensioners has continued over the decades with scant relief to the older „senior citizens. We have attempted a major thrust by suggesting complete parity between past and presentpensioner s, while recommending a modified parity between Pre-1996 and Post-1996 pensioners.

This formula will ensure Total equity between persons retired before 1986 and those who retired later. It also gives all pensioners, at least a minimum pension, appurtenant to the post - 1996 revised pay scale of the post they held on retirement." Due credit has to be given to Hon. Justice Pandian for this particular recommendation..,

VCPC has also recommended that "Pension should also be taken up for suitable revision whenever the salaries of serving employees are taken up by the government for any revision".

The last two years of 1997 and 1998 were the years of some reasonable achievements for the pensioners and their families as many of the recommendations favourable to the pensioners have been. Accepted by the GOI and the pensions and family pensions of CG retirees have been revised (enhanced) reasonably well, during these two years.

Delay is attributable to the government employee, the interest paid to the pensioner should be deductible from the salary of such employee(s) Will the government strictly implement this recommendation? The position today is, pensioners and family pensioners have to chase up their applications, and often suffer humiliations at the hands of the government officers and staff in' the offices.

It is worthy to mention here that the Lordships of the Supreme Court have repeatedly said that "Pensioners who have given best parts of their life in the service of the people, are required to get a fair and just treatment by all those who are occupying the chair in the government offices. They should not forget that on one day they would also retire. No civilised country can boast of a welfare state, unless the senior citizens are respected and. looked after properly". The recent following observations made on this' matter 'in March1999 by the Supreme Court, are to be printed and circulated to be read by the officers and staff, of the pension wings of every government department. While disposing of a writ petition from a retired medical officer, for the government's inordinate delay in sanction of her pension, the Supreme Court bench which included the Hon. Chief Justice Dr.A.S.Anand and Hon. Justice Santhosh Hegde, has remarked as follows:

, Grant of pension n is not a, bounty but a right of a government servant, Delay in the settlement of retrials benefits is frustrating. and must be avoided at all costs, such delays ~are occurring even in regard to family pension for which there Is a, prescribed procedure, and this is indeed unfortunate. In cases s where retired government servant claims Interest for delay payment, the court can certainly keep in mind the time schedule, prescribed in the rules/ Instructions apart from other relevant factors as applicable to each case. This case is clear example of departmental delay which is not excusable.'

This small chapter has therefore been added, giving in brief some important information which will be of use to all Q:G pensioners and family pensioners to keep their knowledge updated and make them aware of all their entitlements.

TAX RETURNS

Income tax returns have to be submitted before 30th June of the assessment year. A penalty ofRs.500 can be levied, if the returns are' not submitted before the due date

SARAL

This is a simple one page income tax return form (2D), which can be easily filled up by individual tax payers.

The, information on IT rules given in this book is only for general guidance of the pensioners and family pensioners, and the author cannot take any responsibility for any errors. Every pensioner should, consult a tax expert or Chartered accountant to know precisely

a) if it is necessary to apply for a PAN b) if it is necessary to file the returns, c) in which form to file the returns,

d) how and when to file the returns,

e) Where, if investments made, will relieve one from any tax payments.

f) Check-up for tax rebates and concessions to senior citizens and rebates under 88(B), 88 general tax exemptions etc., from a tax consultant and C.O. Circulars issued from time to time.

INVESTMENTS

Employees when they retire' from service e, have to safely invest all the Provident Fund, gratuity, commuted pension, encashment of leave amount etc., which, they have earned. by their sweat of their brow, in fixed deposits In banks or elsewhere. Pensioners have to survive on their monthly pension and the Interest received on their fixed deposits and investments. 'A pensioner's desire will be to earn Just adequate funds to maintain the standard of his living during his retired life.

Nowadays, hundreds of fraudulent blade companies like plantation companies, bogus chit funds, leasing and NBFC's are coming up, offering temptations of higher interest making false! promises that the invested money will double In 3 years, promising to send the Interest warrants for 3 years in advance etc.. The Investment consultants / agencies offer high Incentives. for investments in such companies. Such companies have been found to siphon off crores of rupees collected from innocent investors, to their other companies, and vanish overnight. Lakhs of poor old citizens have thus been duped.by, such companies.

So pensioners are not to get tempted by such high interests and false promises. One should look into the credibility of the companies (institutions). Companies, cooperative banks, private banks very high reputation and ratings, may at, the most offer interest of 2 to 3 more - than. Offered by public sector banks. You have to act on your prudence You have to ensure safety, of capital money; There are four basic objectives associated With all Investments

1) Safety
2) Monthly returns
3) Growth of your investment
4) Tax benefits

Various investments will have different levels of each of these objectives. Investments in stocks (equity shares) may yield high lump sum returns but they will be prone to high risks. Mutual funds will have regular returns with lower risk. Pensioner should be more concerned about such risks and steady income.

Go in for reputed Government or Government supported organisations like, LIC, GIC, ICICI HDFC,ITC UTI,IDBI, Banks, Post Office, NSS, NSC, PPF etc. and companies of high reputation like (Trust worthiness of a company/institution can also be accepted if CRISIL and ICRA, India's leading credit rating agencies, have endorsed FAAA & MAAA respectively to that company/institution) together with the accrued interest there upon, will swell up substantially and provide by itself adequate resources for fully meeting the pension liabilities, without depending upon the general revenue. Any further delay by the GOI to introduce a NPF scheme, will eventually unhinge the government finances in the next few years. Management of this NPF as a corpus fund, should not be left to the MOF, as the funds may get misused or diverted to other projects and may lead to scams and scandals as usual. It will have to be independently and efficiently managed by and autonomous and NPF organisation consisting of persons of authority and integrity or by a reliable Trust appointed and controlled by the Parliament, and representatives of State and Central governments, Parliament and Planning Commission.

Membership to this fund must be made mandatory for all new entrants and it can be made optional for the existing employees offering them an opportunity to supplement their present pension rate.

It is therefore urged that our government shall soon institute, this National Pension Fund. Better Late than never.

Chapter 13

HOW TO WRITE A WILL

Making a will enables you to expeditiously distribute your property, to those you want, in the way you want, after your expiry. Will is a written declaration made by you, of your desire for distribution of all your properties and assets after your expiry. Without a WILL, the property and assets will get distributed as per Succession Act. '"

One can write a WILL even on a plain paper. It is not essential to have it notarised or registered. BI,H, there is nothing wrong in getting IT registered also. It should be signed by the person executing the WILL and by minimum two witnesses at the same time in the presence of each other. The beneficiary under the WILL cannot be a witness. The WILL should be so drawn up that there is no ambiguity about anything contained in. it. The names and addresses of the executor and executrix, and all the legal heirs can be mentioned, even though nothing is bequeathed to any of them. The description of the properties should be given in detail. The WILL should contain a statement that no WILL had been executed earlier. If an earlier WI,LL has been executed, reference to it must be made in the new WILL stating that all earlier WILLS are to be treated as cancelled and revoked.

Any WILL or part thereof, caused to be executed by fraud/coercion/importunity, which deprives the Testator of his free will, is void. Any bequests made under threat of life is void. A WILL made by a normally intelligent person, yet under the influence of another person to such an extent that he is not a free agent, is invalid. If a WILL was made properly but under duress or compulsion forcing the Testator to make the WILL, will also be void. A WILL made by an unsound mind or by a person below18 years of age is invalid.

Self-acquired assets can be bequeathed to anyone whom the testator would like to help after his death, i.e. to his own kith and kin, his friend, to a trust, or to a charitable institution. While executing WILL, the testator can put an obligation on the legatee (beneficiary) to regularly keep on making monthly or annual payments of a certain sum to any other person, wife, widowed sister, invalid child or any other needy person.

Your WILL have no legal effect till your demise. Sign each page of your WILL to avoid fraudulent replacement of pages. You can alter, revoke or change your WILL any time as you wish. But whenever you make a new WILL destroy the old. Keep your will safe in a bank locker. Ensure that the executors and its beneficiaries known where it is kept.

Include a "residuary. clause" to provide for any future addition to the property which might have been left out through oversight. Bouquets made to charity organisations, have to be executed at least 12 months before the death of the Testator.,

Sample Draft Will / Sample Will Template

Below is the sample Will format:

I, Shri/Smt ………………….. son/daughter/wife of Shri ……………..,resident of …………………., by religion…………., do hereby revoke all my previous Wills (or) Codicils and declare that this is my last Will, which I make on this …….(Date)………………… My Date of Birth is ………….

I declare that I am in good health and possess a sound mind. This Will is made by me without any persuasion or coercion and out of my own independent decision only.

I appoint Shri………………….. Son/daughter of ……………, resident of …………. to be the executor of this Will. In the event Shri…………… were to predecease me, then Shri……………., will be the executor of this Will.

I bequeath the following assets to my Wife Smt……………..

1. My house located at………(address)………

2. Bank balance of my savings account no…………………..with ……………(bank name & bank address)………

3. My Bank fixed deposits in …….(bank name)…..bearing ……..(FD receipt no's)……..

4. The proceeds of my Term insurance policy ….(Policy no)……, from…….(insurance company name)………

5. The contents of bank locker no………, with bank…………, bank address…………… I bequeath the following assets to my son Shri……………

1. Residential Plot no…….., located at…………….

2. My car with registration no……….

3. My mutual fund investments with folio numbers…………………..

4. Any other asset not mentioned in this Will but of which I am the owner.

All the above assets are owned by me. No one else has rights on these properties. Signature of Testator

Witnesses

We hereby attest that this Will has been signed by Shri………….as his last Will at ………(Place)……… in the joint presence of himself and us. The testator is in sound mind and made this Will without any coercion. Signature of Witness (1) Signature of Witness (2)

Download free sample (Draft) WILL Document.

The above draft is just a sample Will. Kindly remember that there is no standard proforma or format for drafting a Will. It is always better to write an exhaustive Will. You may consult a Legal expert (or) consider utilizing the services of online Will writing providers.

Chapter 14

NATIONAL PENSION SCHEME DETAILS OF NATIONAL PENSION SCHEME (NPS)

(to those who have joined after 01/04/2010)

NPS (National Pension System) is a defined contribution based Pension Scheme launched by Government of India. It is applicable to Bank Employees who joined Banking industry on or after 01.04.2010.It is based on a unique Permanent Retirement Account Number (PRAN) which is allotted to each Subscriber upon joining NPS.

With effect from 11-11-20 as per the government communication F/1/1/2019 IR dated 25-8-2021 The employees and matching employer's contribution under the NPS scheme is enhanced to14%

PFRDA has now launched a separate model to provide NPS to the employees of corporate entities, including PSUs (including Banks). This model is titled "NPS - Corporate Sector Model".

On successful registration, a PRAN (Permanent Retirement Account Number) will be allotted to the subscriber. A PRAN Kit containing PRAN card, Subscriber details (referred as Subscriber Master List) and an information booklet is sent to the subscriber's registered address. The T-Pin and I-Pin are sent separately to the registered address. In case of the Corporate Sector subscriber, the PRAN Kit along with T-PIN & I-PIN will either be sent to the subscriber's registered address or at the Corporate Head Office as per the option selected by the Corporate.

The PRAN Card is a document with PRAN, subscriber's name, father's name, photograph and signature/thumb impression.

NPS Account Information: The NPS Scheme offers 2 types of account

Tier I account – it is also known as Pension Account. Withdrawal from this account is restricted till the Subscriber attains the age 60 years. Minimum yearly contribution requirement in this account is Rs.6000.

Tier II account – it is a normal investment account. Withdrawal from this account can be done as per the need of the Subscriber. Minimum yearly contribution requirement in this account is Rs.250 however on 31st March of each year total value of units in this account should be equal to or more than Rs.2000

An active Tier I account is mandatory for opening Tier II account. Tier II account can be opened along with Tier I account or at any time after Tier I account opening.

Fund options:

NPS gives Subscribers option to invest according to their choice and risk appetite among three funds. Three funds under NPS are

1. Equity (Asset Class E)
2. Corporate Bonds (Asset Class C)
3. Government Securities (Asset Class G)

Subscriber can switch the asset allocation once in a financial year.

Investment Options:

Depending on the expertise on taking call on right asset mix, Subscribers have 2 investment options under NPS

Active Choice – Under this option, subscriber can select the asset allocation among Equity, Corporate Bonds and Government Securities as per his / her choice.

Auto Choice – Under this option, fraction of funds invested across three asset classes is determined by a pre – defined portfolio which will be based on the age of the Subscriber. This is also known as Life Cycle Fund option.

Tax Implication of NPS:

1. Employer's contribution to NPS on behalf of the employee is treated as perquisite in the hands of the employees, but is deductible u/s 80CCD (2) of the Income tax Act, 1961 to the extent of 10% of basic salary. This deduction is over and above the limit of Rs.1.5 lac u/s 80 CCD (1). This will lessen the tax burden of the employee to the extent of amount deductible u/s80CCD (2) of the Income tax Act, 1961.

2. Contribution by individual employee is eligible for a deduction from Income under Section 80CCD (1) of the Income Tax Act 1961 upto Rs 1.5 Lakhs. However, investments under Section 80C Section 80CCC and 80CCD (1) should not exceed Rs.1.5 lakhs per assessment year to claim for the deduction.

3. An additional exclusive tax benefit of Rs.50, 000/- under section 80CCD (1B) per assessment year (applicable from F.Y 2015-16/A.Y 2016-17) for NPS investments.

Withdrawal from Tier I NPS account:

Amount from Tier I account can be withdrawn only on exit from NPS. Exit from NPS can be done at any point of time. The pay-out would be made to Subscriber as per below chart

Withdrawal before the age 60 years

Up to 25% of Employees contribution can be withdrawn in lump sum.

Three times before 60 years of age (But after 10 years of contribution) **For the purpose of**

1. Construction of House property,

2. marriage/education of children,

3. Medical treatment. (G.O. issued dated 11.05.2015)

Withdrawal on attaining the age 60 years

1. Up to 60% of Corpus can be withdrawn in lump sum

2. Minimum 40% of the Corpus needs to be invested in Annuity

Subscriber can opt for any of the following options to receive pension by way of purchasing annuity

Annuity Schemes:

After retirement, Depending on the need, Subscriber can select any of the below mentioned annuity plan (i.e. monthly payment of a fixed amount or PENSION as commonly called) offered by Annuity Service Providers registered with PFRDA

Annuity payable for life at a uniform rate to the annuitant only

Annuity payable for 5, 10, 15 or 20 years certain and thereafter as long as you is alive Annuity for life with return of purchase price on death of the annuitant (Policyholder) Annuity payable for life increasing at a simple rate of 3% pea

Annuity for life with a provision of 50% of the annuity payable to spouse during his/her lifetime on death of the annuitant.

Steps to be followed to check NPS Balance:

First we have to visit https://cra-nsdl.com/CRA/ website which is the official website of Central Record Keeping Agency and of National Securities Depository Limited. You can get Balance, growth, statement of accounts etc., from the above website. Every month you will be getting SMS about the amount credited to your NPS account.

However, if SOT (Statement of Transaction) is required in soft copy, the subscriber can give a request through CRA toll free number 1800-222-080 using TPIN.

SOT for last three financial years can be requested.

The SOT will be sent through email in the email id registered with CRA. This is not a chargeable service.

Alternatively, by login to CRA system using IPIN, the subscriber can print his/her SOT (available for the last three years).

Also read

WHY NPS SHOULD GO?

NEW-PENSION-SCHEME-IN-COMPARISON-TO-OLD-PENSION-SCHEME SEE FREE DOWNLOAD

See my free downloadable Google link

https://drive.google.com/file/d/1Bj_h_V—PHYv7FRezk4VjHB7d8my7B8/view?usp=sharing

Chapter 15

ENCASHMENT OF PRIVILEGE LEAVE

As per OSR, encashment of unavailed privilege leave accrued to the employees account at the time of superannuation is permitted. If an employee dies while in service, his/her legal heirs will be paid encashment amount for the number of days of privilege leave accrued to his credit at the time of death. Since the PL can be accumulated upto a maximum of 240 days, the PL can be encashed as above upto a maximum of 240 days.

Pay for the purpose of encashment means the aggregate of Basic Pay, Dearness Allowance, House Rent Allowance, City Compensatory allowance, Professional Qualification allowance, and any other allowance drawn by an officer employee which is of a permanent nature. If the officer is provided with a leased quarters, i.e. residential accommodation, notional HRA will be taken into account.

Amount of Leave Encashment received in the hands of recipient is exempted from Income Tax only upto Rs.3.00 lac.

CASE 1

1. Name of the Officer : Mr. MUTHURAJ
2. Date of Birth : 02.08.1953
3. Date of Joining the Bank : 19.01.1983
4. Date of Retirement : 31.08.2013
5. Age at the time of retirement : 60 years
6. Total Service Rendered : 30 Years, 7 Months, 13 Days
7. Privilege Leave at his credit : 240 Days

Calculation of Leave Encashment : Last Drawn Salary X No. days Leave in PL A/c /30

Last Drawn Salary :

Basic Pay : (a) Rs. 29700.00

Dearness Allowance at 88.95% on (Rs.29700+Rs.1030) (b) Rs. 27494.00

City Compensatory Allowance : (c) Rs. 375.00

Professional Qualification Allowance : (d) Rs. 1030.00

Fixed Personal Allowance : (f) Rs. 965.00

Notional HRA at 6.5% on (a+d+f+) Rs.31695.00 (g) Rs. 2060.00

Total Salary Rs. 61624.00

If the retired employee was on loss of salary partly or fully during the last month in which he retired from service, the previous month in which he had drawn the full salary will be reckoned for the above calculation.

Leave Encashment = Rs.61624 x 240 /30 = Rs.492992.00

Chapter 16

DISCIPLINARY PROCEEDINGS/ACTION AFTER RETIREMENT OF PSB EMPLOYEE

Often, I get queries from our retirees about receipt of letter calling for explanation on charges of alleged lapses purported to be committed by them, while in service and initiation of disciplinary proceedings against retirees.

If the disciplinary proceeding, initiated during service, the same should be allowed for its logical conclusion post retirement. Let us discuss about the provisions of disciplinary proceedings, action after retirement.

Whether Disciplinary proceedings can be initiated after retirement?

Though it is a well settled law that no disciplinary proceedings can be initiated after retirement, there are certain provisions in Service regulations and Supreme Court Judgements that a retiree must be aware on the subject matter.

In Banking Industry, Disciplinary proceedings are being initiated as per Bipartite Settlement dated 10.04.2002 in respect of Workmen employees and as per Bank Officer Employees' (Discipline and Appeal) Regulations1976 covering the officers.

After introduction of Pension Regulation-1995 a composite provision for initiating disciplinary proceedings against the retired employees and officers as per the applicable provisions to respective cadre has been incorporated in the Pension regulation.

Pension regulations 45 to 48 provide for initiating DP against retiree on certain conditions.

Under Discipline and Appeal Regulations applicable to Bank officers and Bipartite settlement dated 10.04.2002 do not provide for holding any disciplinary action or domestic enquiry after reaching superannuation or after retirement.

Whereas the Pension regulation 1995 under regulation-45 and 48 provides for holding a disciplinary proceeding against the pensioner. PF optees and those covered under NPS are not governed by Pension regulations 1995 and hence DP cannot be proceeded against them after retirement. Just because a particular employee/officer is covered under Pension Regulation-1995 resorting to holding disciplinary proceedings after superannuation/retirement is arbitrary and violation of Article 14 of Constitution of India. Hence these provisions are to be tested under court of law and till then a retiree must be aware of the implications of Sec 45 to 48 of pension regulations.

Under what circumstances can action be taken against the pensioner under Sec 48 of Pension Regulations 1995 for recovery from pension?

If 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 action can be taken against the pensioner for recovering the pecuniary loss caused to the bank from pension.

What comes under the purview of grave misconduct?

It includes the communication or disclosure of any secret official code or password or any document in violation of Official secret act, Offence under Official secret act, Criminal breach of trust, involvement in fraudulent and or forgery transactions.

What is the limitation period beyond which departmental proceedings cannot be initiated against the retiree under Sec 48 of Pension Regulations 1995?

Four Years. No departmental or judicial proceedings, if not initiated while the employee was in service, shall be instituted against the retiree, 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.

Hence under pension regulations 1995, no disciplinary proceedings against the retiree can be initiated for negligence during his/her service, after 4 years of his/her retirement. Even within 4 years period, if the cause of action happened four years before, no DP can be initiated.

What are the circumstances under which pension can be stopped?

Pension is payable subject to future good conduct. Pension if he is convicted by court or he is found guilty of grave misconduct. The competent Authority may 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 found guilty of grave misconduct.

SOME IMPORTANT CHAPTERS OF PENSION REGULATIONS-1995-CHAPTER

Regulation 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.

Regulation 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 found guilty of grave misconduct: Provided 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.

Regulation 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.

Regulation 45 – Pensioner guilty of Grave Misconduct: In case not falling under regulation 44, if the Competent Authority considers that the pensioner is prima facia guilty of grave misconduct, it shall before pass an order follows the procedure specified in Bank Officer Employees' (Discipline and Appeal) Regulation, 1982 or in settlement as the case may be.

Regulation 46 – Provisional Pension: -

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.

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 of the decision of the proceedings. Any recoveries to be made from 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 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 the section 463 of the Indian Penal Code, 1860 (45 of 1860) Note:

Regulation-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, authorized under these regulations during the pendency of such proceedings. Regulation 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:

(2) 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 had continued in service:

(3) 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.

(4) 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;

(5) 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.

REGULATION-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 cooperative credit society from the commutation value of the pension or the pension or the family pension.

ADDITONAL NOTES

OUR BIAPRTITIE SETTLEMENT IS SILENT ON DISCIPLINARY ACTION AFTER RETIREMENT

Parallel Provisions in Pension Regulation, 1995 Regulations 42 to 49 Chapter IX – General Conditions

But bank continues departmental proceedings on the basis of following guidelines to Govt. Servant in CCS rules read in conjunction with (Rule 42) for pension regulations:

Frequently Asked Questions (FAQs) (Central Civil Services)

1. Pension Policy : What happens to the departmental proceedings instituted against a Govt. servant during service and pending at the time of retirement? Can pension/gratuity be paid to a retiring, Govt. servant if Departmental/Judicial proceeding are pending against him at the time of retirement

Department proceedings pending at the time of retirement are deemed to be the proceedings under Rule 9 and shall be continued and concluded by the same disciplinary authority and in the same manner. Thereafter, authority will submit a report recording its finding to the President. In such cases, only provisional pension is paid and gratuity is withheld till the conclusion of departmental proceedings and issue of final orders thereon by the competent authority.

Can Departmental proceedings be instituted after retirement?

Departmental proceeding can be instituted after retirement subject to following conditions:- (a) Sanction of the President shall be obtained before instituting such proceedings; (b) The proceedings shall not be in respect of any event which took place more than

4 years such institution; Proceedings shall be conducted by such authority and in such place or the President may direct and in accordance with rules applicable to departmental proceedings in which an order of dismissal from service could be made in relation to the Govt. servant during his service

When is departmental or judicial proceeding deemed to be instituted?

(a) Departmental proceedings shall be deemed to be instituted on the date on which the statement of charges is issued to the Government servant or pensioner, or is the Government servant has been placed under suspension from an earlier dated, on such date; (b) Judicial proceedings shall be deemed to be instituted- (i) In the case of criminal proceedings, on the date on which the complaint or report of a Police Officer, of which the Magistrate takes contingence, is made, and (ii) In the case of civil proceedings, on the date the plaint is presented in the court

Can the pension/gratuity be withheld on conclusion of departmental/judicial proceedings?

The President reserves to himself the right of withholding a pension or gratuity, or both, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specified period, and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused to the Government, if, in any departmental or judicial proceedings, the pensioner is found guilty of grave misconduct or negligence during the period of service, including service rendered upon re-employment after retirement. Power to withhold/withdraw pension/gratuity is with President and UPSC is required to the consulted before any final orders are passed.

Source : http://pensionersportal.gov.in/FAQ_Civil.pdf

1. Pension subject to future good conduct (Rule 42): Future good conduct shall be an implied condition at every grant of pension and its continuance under these regulations.

2. Withholding or withdrawal of pension: The competent authority may, by order in writing, withhold or withdraw 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.

Provided that where a part of the pension is withheld or withdrawn, the amount of such pension shall not be reduced below the minimum pension per mensem payable under these regulations.

3. 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 judgment of the court relating to such conviction.

4. 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 of order, follow the procedure specified in Punjab National Bank Officer Employees'(Discipline and Appeal) Regulations, 1977 or in Settlement as the case may be.

5. 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.

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,

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

4. **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;**

5. **The expression "fraudulently" shall have the meaning assigned to it under section 25 of the Indian Penal Code, 1860(45 of 1860);**

6. **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);**

7. **The expression "forgery" shall have the meaning assigned to it under Section 463 of the Indian Penal Code, 1860 (45 of 1860).**

6. 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, authorized under these regulations during the pendency of such proceedings.

7. 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 the 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 also that no departmental or judicial proceedings, if initiated 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 had 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 the 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

8. 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 cooperative credit society from the commutation value of the pension or the pension or the family pension.

ADDITONAL NOTES POST RETIREMENT PROCEEDINGS

1. What is the status of relationship between a pensioner and the former employer?

   Rule 8 of the CCS (Pension) Rules 1972 provides that grant and continuance of pension is subject to future good conduct.

2. What are the conditions under which pension can be withheld or withdrawn?

   Following are the two conditions under which pension may be either withheld or withdrawn:

   When the pensioner is

   a. convicted of a serious crime or

   b. found guilty of a grave misconduct

3. Who has power to withhold or with draw pension?

   Rule 8 (1) (b) of the Pension Rules provides that Appointing Authority order with-holding and with drawing pension

4. **What is the procedure to be followed in the case of a pensioner convicted of a serious crime?**

   As per rule 8 (2), action regarding with holding or with drawing pension is to be taken in the light of the judgment of the court relating to the conviction. Although it is not explicitly stated in the rules, such an action should be preceded by issue of a show cause notice and examination of the reply by the pensioner. This course of action will be on the same analogy with Rule 19(i) of CCA Rules under similar circumstances.

5. What is the procedure to be followed in the case of a grave misconduct?

Rule 8 (3) provides for issue of a notice specifying the action proposed to be taken and the grounds for the same. Time of fifteen days may be granted for reply which is extendable for another span of fifteen days. Final order may be passed taking the reply into account.

6. What is the scope of the expressions serious crime and grave misconduct occurring in Rule 8 (1)?

The expressions have not been defined in the rule. However, Explanation (a)

and (b) under Rule 8 indicate that phrases include violation of the provisions of

Official Secrets Act 1923. Reference to the above is an indication of the level of the violations which warrant action under Rule 8 of the Pensions Rules.

7. What is the scope regarding the quantum and duration of reduction of pension under Rule 8 of the Pension Rules?

Proviso to Rule 8 (1) provides that reduction cannot be below the amount of Rs..Three thousand five Hundred

The reduction can be for a specified period or permanently.

8. What other condition must be satisfied while exercising the powers under Rule 8 of the Pension Rules?

Rule 8 (4) provides that where President is the competent authority, Union Public Service Commission must be consulted before passing of the order.

9. What action can be taken as regards pension and gratuity in respect of a misconduct committed during service?

Rule 9 of the CCS (Pension) Rules 1972 lays down the following three powers for the President as regards pension and gratuity:

a. **Withholding pension or gratuity, or both, either in full or impart,**
b. **With drawing pension in full or impart, whether permanently or for a specified period,**
c. **Ordering recovery from pension or gratuity of the whole or part of any pecuniary loss caused to the Government,**

10. What are the circumstances under which the powers under Rule 9 of the CCS (Pension) Rules can be invoked?

Powers under Rule 9 can be invoked "if, in any departmental or judicial proceedings, the pensioner is found guilty of grave misconduct or negligence during the period of service, including service rendered upon re-employment after retirement"

11. What the scope regarding the quantum of reduction of pension under Rule 9 of the Pension Rules?

Second proviso to Rule 9 (1) of the Pension Rules provides that where a part of pension is withheld or withdrawn the amount of such pensions shall not be reduced below the amount of rupees three thousand five hundred per mensem.

12. What are the similarities and distinctions between Rule 8 and Rule 9 of the CCS (Pension) Rules? Similarities

a. Both deal with reduction of Pension

b. Both prescribe a minimum pension to be left after with drawl *I* withholding c. With drawl may be for specified period or permanently.

Points of distinctions

S.No	Rule 8	Rule 9
(a)	Relates to post-retirement conduct of the pensioner	Relates to the misconduct committed during the service period – noticed either during the service or after retirement
(b)	Confined to withdrawing pension only Question of withholding does not arise because action is initiated after the sanction of pension Provides for withholding of gratuity and pension (if the same were not sanctioned by the time action is taken) With drawal of pension – as pension has already been sanctioned, gratuity also might have been released (in cases where them is conduct committed during service period comes to notice after retirement For the same reason, this rule does not deal with gratuity.	
(c)	Order for with drawl of pension is to be made after issue of show cause notice	Order may be made only if the person is found guilty of grave misconduct or negligence in departmental or judicial proceedings
(d)	Powers are vested with Appointing Authority	Powers vest only with the President.
(e)	Consultation with UPSC is necessary only if the powers are exercised by the President (in the capacity of Appointing Authority)	Consultation with UPSC is always necessary because President alone has powers under Rule 9
(t)	Action must be initiated on the basis of conviction in a serious crime or grave misconduct	Basis of action must be found guilty of grave misconduct or negligence in departmental or judicial proceedings.

13. What are the major distinctions between initiating disciplinary proceedings before retirement and those initiated there after?

(a) Initiating proceedings while in-service

Appropriate disciplinary authority as prescribed under CCA Rules, may initiate proceedings

b) Initiating proceedings after retirement

Disciplinary proceedings can be initiated against a serving employee irrespective of the time of commission of the misconduct. Although inordinate delay between the com- mission of misconduct

(c) Respective disciplinary authority will decide as to where the proceedings are to be held

(d) Final orders will be issued by the prescribed disciplinary authority

(e) Consultation with UPSC will be necessary only in such cases falling with in the ambit of Article 320 (3) (c) of the Constitution read with Union Public Service Commission (Exemption from Consultation) regulations, 1958.

What is the legal sustain ability of continuing the proceedings after the retirement of the delinquent?

This question came up for consideration of the Supreme Court in the case of D V Kapoor vs. Union of India [1990 AIR 1923, 1990 SCR (3) 697, 1990 SCC (4) 314, JT

1990 (3) 403] and the Hon'ble Supreme Court had ruled as under:

In the instant case, merely because the appellant was allowed to retire, the Government is not lacking jurisdiction or power to continue the proceedings already initiated to the logical conclusion there to. The only inhibition is that where the departmental proceedings are instituted by an authority subordinate to the President, that authority should submit a report recording its findings to the President. That has been done, and the President passed the order under challenge. Therefore, the proceedings are valid in law and are not abated consequent to voluntary retirement of the appellant and the order was passed by the competent authority, i.e. The President of India.

15. What happens to the on-going disciplinary proceedings which could not be completed before the retirement of the employee?

As stated above, the proceedings can be continued under Rule 9(2) (a) of the Pension rules subject to the condition that the findings will be submitted to the President.

16. What is the position regarding disbursement of retirement benefits in respect of a person against whom disciplinary proceedings are pending at the time of super annulation?

Hon'ble Supreme Court in its judgment dated 14 August 2013 in Civil Appeal No.6770/2013 [State of Jharkhand & Ors. Vs. Jitendra Kumar Srivastava has held that pension and pensionary benefits being a form of property, a person can be deprive do fit only through the authority of law, as prescribed in Article 300A of the Constitution. Executive instructions cannot take the place of law and therefore in the absence of any provision in any of the Rules, for example, Pension Rules, 1972 any action to deprive the retired employee of the retirement benefits would be illegal. It is significant to note that Rules 8 and 9 of the Pensions Rules provide for withholding of pension only if the Government Servant is found guilty. Although the above judgment is based on 'the rules applicable to the Jharkhand State, the position does not appear to be different in the light of the CCS Pension Rules 1972 either.

17. In the light of the four year limitation for initiation of post retirement disciplinary proceedings, what is the effective date of commencement of proceedings?

Rule 9 (6) of the Pension Rules provides as under

a. Departmental proceedings shall be deemed to be instituted on the date on which the statement of charges is issued to the Government servant or pensioner, or if the Government servant has been placed under suspension from an earlier date, on such date; and b. Judicial proceedings shall be deemed to be instituted–

i. 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

ii. in the case of civil proceedings, on the date the plaint is presented in the court.

18. Is there any condition regarding the time gap between them is conduct and initiation of proceedings as regards proceedings initiated before retirement and continued there after?

The Pension rules do not prescribe any fetter in this regard giving an impression that a charge sheet can be issued on the date of retirement in respect of misconduct committed decades ago and the proceedings can be continued under Rule

9 (2) (a) of the Pension Rules. However, the following observation of the Hon'ble High Court of Delhi in O.P.Gupta. Union of India 1981 (3) SLR 778, lays down that the four year limitation applies even in respect of such cases:

19. In other words is the deeming provision in Rule 9 so unbridled? Can the provision be used to keep the inquiry alive for any number of years or indefinitely? Can it be' deemed' that even after 20 years the inquiry is still not concluded, as in the present case? Considering public interest and difficulties in Government administration, I am of the opinion that power to continue or to start a disciplinary proceeding after retirement may be necessary in certain cases. By itself the power is not arbitrary. It has a rational basis. But the power must be exercised, within a reasonable period and consistent with justice and public interest. In Moham bhai v. Y.B. Zala 1980 (1) Ser L&R 324: Gujarat High Court held that starting of a departmental enquiry11/2 years after the incident, was violative of natural justice. The Court held that it was too much to expect that delinquent would be able to remember and narrate the old incident. We have here the lapse of more than 20 years. If Rule 9 is to be saved from the attack of arbitrariness it must be read in a reasonable and just manner. A guideline is available in Rule 9 (2) (b). A fresh inquiry cannot be started 'in respect of any event which took place more than 4 years before such institution'. This statutory limitation embodies sound principle of equity and justice. It also recognises the principle off finality and repose. I do not find any difference in principle from the point of view of public interest,' in continuation of pending proceeding and starting a fresh proceeding'., therefore, hold that in case of an event more than four years old on the date of retirement, a department proceeding cannot be continued after retirement under Rule 9 (2) of the Pension Rules, 1972. It is well settled that requirement of natural justice can be read in a Rule even if the Rule is silent about it, particularly in a Rule concerning quasi-judicial proceeding. In this view of the matter I hold that the departmental proceeding, if any, pending against the petitioner after 30.3.1975 is bad in law. The same is here by set aside".

The above ruling of the Hon'ble High Court of Delhi has been followed by the Tribunal in O.A. 1065/2002 in D.N.Vohrav. Union of India, decided on

31.10.2003 as stated in Smt. Santosh Verma Vs. The Commissioner, Kendriya Vidyalaya Sangathan and Ors. O.A.No. 2469 of 2003 Decided On: 18.05.2004 [2005 (1) SLJ 383(CAT)]

20. What is the impact of minor penalty proceedings on pension?

There was considerable ambiguity in the area for some time. Presently, based on the decision of the Hon'ble Central Administrative Tribunal Principal Bench. Delhi in OA no 2068 of 2002 (RSagar, NOIDA-UP Vs Union of India) it has been held vide DoP & TOM No, No. 110/9/2003-AVD-I–1 dated 13 April 2009 that minor penalty cannot have any effect on Pension. Accordingly, all the disciplinary authorities are required to complete the proceedings for minor penalty before the retirement of the delinquent.

14. What is the legal sustain ability of continuing the proceedings after the retirement of the delinquent?

This question came up for consideration of the Supreme Court in the case of D V Kapoor Vs. Union of India [1990 AIR 1923, 1990 SCR (3) 697, 1990 SCC (4) 314, JT 1990 (3) 403] and the Hon'ble Supreme Court had ruled as under:

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Chapter 17

HOW TO READ PENSION FUNDS FROM THE BALANCE SHEET OF PSB

How the Defined benefit Pension Scheme in PSBs works, how to understand the status of pension fund position and interpret the various terms about Pension Fund Position and the implication of actuarial gain/Loss in the audited Balance sheet of the Banks.

Our Pension Scheme is a Defined Benefit Scheme and it is funded Scheme of each PSB.

There are two aspects to the Scheme. One is funding aspect and another is operative aspect. Funding aspect is looked after by the concerned Public Sector Bank. Every year each PSB should

make an actuarial valuation about the pension fund value and present value of future obligations and disclose the status of the same in their Annual Audited Balance Sheet vide Notes to Accounts (Schedule 18).

A. Operative aspects of the Pension Fund:

Let us first look at the operative aspects of the pension Fund:

Pension is paid to the retirees out of Bank Employees' Pension Fund for each Bank. This fund is maintained by a Trust exclusively formed for this purpose by each Bank under Pension Regulations 1995.

The Board of trustees are appointed by the Bank between 3 to 9. The books of accounts are subject to audit.

The sole purpose of the fund is for payment of Pension and Family Pension to retired employees/family of deceased employees/retired employees of the Bank.

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.

There is no provision for transferring back any sum to the Bank from the Trust. The Bank's role is only as a contributor to provide funds in the form of mandatory contribution for serving employees and to meet any shortfall in the present value of future obligations based on actuarial report to be given at the end of each financial year.

Chapter 11 of Regulations stipulate that 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

After the fund initially created by the transfer of funds consists of PF balance with Interest, the contributions to the fund shall consist of following

Contributions to the Fund:

1. Employer's mandatory contribution of 10% of pay per month of serving employees
2. Return on Investments
3. Capital gains
4. Banks Transfer from P&L account in accordance with actuary valuations. Payments out of the Fund:

1. For payment of Pensionary benefits to the retired employees and Family Pension to the families of the deceased employees of the Bank.

2. Investments out of the fund as approved by the board of trustees.

Hence it is clear that Pension Funds cannot be debited for any other purpose other than the two mentioned above.

B. Funding aspect of the Pension Fund:

Every year each Bank should contribute to the pension Fund and the status of Pension Fund has to be disclosed in the Balance Sheet -Notes to Accounts -Schedule 18.

The disclosures under Employee Benefits are under accounting Standard AS 15 ((It is not under AS 19. The main difference between AS 15 and AS 19 standard is that under AS 15(revised) actuarial gains and losses are directly recognised in the statement of profit and loss, under Ind AS 19 the actuarial gains and losses are not recognised in the P&L statement but are instead recognised in a separate account known as Other Comprehensive Income (OCI).

Under Schedule18- Notes to Accounts- under Standard Accounting Disclosures, Employee Benefits {under AS 15(R)} one can find detailed tables reporting Defined Benefit Pension Scheme-Changes in the Present Value of Obligations (Liabilities), Changes in Fair Value of Plan assets(asset), Amount recognized in Balance Sheet, Expenses Recognized in P&L account, Investment pattern & percentage of Pension Trust, Actuarial assumptions, Experience Adjustments etc.

Definition of Some common accounting heads that are appearing in AS 15(R)

Current Service Cost: This is the cost incurred to the company due to the employee rendering service in the current year.

Interest Cost: This is the increase in defined benefits obligations that arise due to the passage of time. (Eg-DR increase etc.)

Plan Assets consists of the assets held in the Defined Benefit Plan in Employees' Pension Fund.

Actuarial Gains/Losses arise due to changes in the actuarial assumptions. Under AS - 15(R), actuarial gains/ losses are reported under profit and loss.

How actuarial Loss affect the Balance Sheet/P&L account of the Bank?

The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

Actuarial loss in the P&L statement is made up of two parts: Actuarial loss on the Defined Benefit Obligation (DBO) and Actuarial loss on Plan Assets.

When the present value of Funded obligation exceeds fair value of plan assets it will result in Net Liability and if it vice versa it will result in Net Assets in Balance Sheet.

An analysis of our Indian Overseas Bank's Balance Sheet as on 31.03.2021, with reference to Pension Fund asset value and Obligations based on Notes on Accounts.

a. Pension fund Asset Value as on 31.03.21-Rs 9856.98 Cr. Contribution by the bank to Pension Fund from P&L account is Rs1, 127.48 Cr.

b. Value of Defined Benefit Obligations is also Rs 9,856.98 Crores. (Liability)

c. As there is no gap between Asset and Liability there is no recognized liability in the Bank's balance sheet on account of Pension fund (Defined Benefit). If the Obligations value exceeds asset value, then it will be shown in the Bank's Balance Sheet under Liability.

d. Pension paid for the Year-Rs 972.06 Crores.

e. Actual Return on Investments -Rs 593.28 Cr (Expected Return on Investments Rs 695.56- Actuarial Loss on asset Value Rs102.28)

f. Bank's contribution out of P&L account-Rs1127.48 Cr (There is no bifurcation in the Notes to Accounts, to know how much is Bank's Mandatory Contribution (10% of Pay) of serving employees and how much is the amount paid by Bank to make good the shortfall of asset value to meet future Obligations based actuarial report. But we can infer that, based on difference in opening Balance and Closing balance of Pension obligation. (Liability). The additional provision paid by Bank out of P&L account Is Rs 748.70 Cr (Rs 9856.98-9108.28) + Bank's mandatory Contribution Should be Rs. 378.78 Cr)

g. On Obligation side- Interest Cost is Rs 613.04 Cr, Service Cost is Rs 243.51 Cr, Actuarial Loss is Rs 864.20 Cr.

Gist: For FY 2020-21- Pension paid per annum is at 9.86% of Pension fund. Return On investments is at 6.01% of Pension Fund. Bank has made a contribution of Rs 1,127.48 Cr from P&L account (additional contribution of Rs748.70 crores +Mandatory Bank's contribution in lieu of CPF-Rs 378.78Cr) There is no outstanding Liability on account of Pension Fund Obligations in Bank's Balance Sheet as on 31.03.2021.

An analysis of SBI Balance Sheet-31.03.21-Notes on account -Defined Pension Scheme Funds

a. Pension fund asset Value as on 31.03.21-Rs 106,445.86 Cr. Total Costs to payment to pension Fund and provisions from P&L account-RS13, 931.49 Cr.

b. Value of Defined Benefit Obligations is also Rs 125,806.37 Crores. (Liability)

c. Liability recognized in the Balance Sheet recognized on account of Pension funds-Rs19360.51 Crores

d. Pension paid for the year -Rs 3,475.67 Crores.

e. Actual Return on Investments -Rs 10362.33 Cr (Expected Return on Investments Rs6656.42+ Actuarial gain on asset Value Rs 3705.91)

f. Bank's contribution out of P&L account to Pension obligations/Provisions-Rs13,931.49 Cr (Bank's Mandatory Contribution Rs 2100.68 Cr+ Direct payment towards Pension obligations-Rs4842.15 Cr + Transferred to Provisions account-Rs 6988.66 Cr.)

Annexure: Status of Pension Fund-IOB as on 31.03.2021

The Tables on Status of Pension Funds given in Notes to Accounts is slightly modified, so as to help the reader to understand easily about its impact on the Balance Sheet of the Bank and the position of Pension Funds based on actuarial report.

The following is the details taken from the Notes to Accounts of IOB balance sheet as on 31.03.2021.

Defined Benefit Pension Scheme -IOB Retired Employees as on 31.03.2021

Table on Fair value of Plan Asset Rs in Crores

Particulars		Pension (funded)		
Opening Balance		9108.28		
Expected Return on Assets	695.56			
Less Actuarial Loss	102.28			
Actual Return on Assets		593.28		
Bank's Contribution		1127.48		
Total Receipts			10829.04	
Pension Benefits Paid		972.06		
Total Payments			972.06	
Closing Balance				9856.98

Table on Defined Benefit Obligations Rs in Crores

Particulars		Pension (funded)		
Opening Balance		9108.28		
Interest Cost	613.04			
Service Cost	243.51			
Actuarial Loss	864.20			
Total Obligations value			10829.04	
Pension Benefits Paid		972.06		
Total Payments			972.06	
Closing Balance				9856.98

As there is no difference between asset value and obligations the recognized Liability on Pension Fund is Nil.

Pension pay-out is Rs 972.06 crores and Bank's Contribution is Rs 1127.48 Crores.

Pension Fund Closing Balance-Rs 9,856.98 Crores

g. On Obligation side- Interest Cost is Rs 7,501.41 Cr, Service Cost is Rs 970.09 Cr, Actuarial Loss is Rs 15822.32 Cr.h. Liability recognized in the Balance Sheet for Rs19,360.51 Cr is fully provided for in the Provisions account for employees.

Disclaimer: The contents of this write up write up is meant for information purposes only and do not purport to be a legal document. The author does not warrant the accuracy or completeness of the information. Author will not be responsible for any loss or damage to any one, of any kind, in any manner.

Chapter 18

FREQUENTLY ASKED QUESTIONS BY PENSIONER

1. Who is Eligible for Pension?

- A Bank Employee who joined in pensionable service prior to 01/01/2004
- Contributory Provident Fund (CPF) beneficiaries in service on 01.01.1986 other than those who chose to continue under the CPF Scheme thereafter.
- Temporary employees retiring on superannuation pension/ invalidation with not less than 10 years' service qualifying for pension.
- An employee who is dismissed or removed from service forfeits his pension.
- Resignation from service entails forfeiture of past service.

2. When can you get Pension?

- Pension is payable on retirement after attaining the age of compulsory retirement (superannuation) or in advance of this age under certain circumstances.
- Pension is also payable before the age of superannuation o voluntary retirement after rendering 20 years of qualifying service under) Rules or after attaining the age of 50/55 years subject to other conditions as laid down in the rules.
- Family pension is payable to eligible family member on the death of an employee while in service or after retirement.

3. Classes of Pension

Pension granted under (Pension) Rules, 1995 can be:

- Superannuation Pension
- Retiring Pension
- Invalid Pension
- Compensation Pension
- Compulsory Retirement Pension or Compassionate Allowance
- Pension on absorption to a PSU/Autonomous body

4. DOs for Retirees for timely processing of their pension papers/claims

During the service Retiree is required to ensure that

- His/Her family details are kept updated
- All Nominations are kept updated
- Leave Record is kept updated

5. What are your Retirement benefits?

Retirement Benefits comprise the following:-

- Pension or family pension subject to a guaranteed minimum of Rs. 9000/- per month (since 01.01.2016).
- Lump sum payment resulting from commutation of a portion of pension.
- Retirement / death gratuity limited to a maximum of Rs. 20.00 lakh (since 01.01.2016).

- Dearness Relief on pension/family pension at rates prescribed with reference to price rise (this remains suspended during employment /re-employment under the Government)

  (For a qualifying service of less than 10 years only service gratuity is payable)

6. How are your Pension/Retirement Benefits worked out?

For Retired Employees

Service Gratuity

- You are entitled to receive only service gratuity (and not pension) if your total qualifying service is less than 10 years.
- It is calculated @ 1/2 month's emoluments for each completed six monthly period of qualifying service.
- An emolument for this purpose includes DA admissible at the time of retirement.
- There is no limit for minimum amount
- This is a one-time lump sum payment in lieu of pension and is distinct from and is paid over and above the retirement gratuity referred to later in this section.

Pension

- If you retire under the rules and have qualifying service of 10 years, your pension is calculated @50% of last pay or average emoluments (i.e. average of the basic pay drawn by you during the last 10 months of your service), whichever is more beneficial to you.
- Guaranteed minimum pension is Rs. 9,000 (Rupees Nine thousand only) per month. In addition, Dearness relief is also payable thereon.
- Maximum limit on pension is Rs. 1, 25,000 (Rupees one lakh twenty five thousand only) per month. In addition, Dearness relief is also payable thereon.
- Pension is payable upto and including the day of death.

Commutation of Pension

- You have an option to commute a portion of pension, not exceeding 40% of it, into a lump sum payment.
- You need not undergo any medical examination if you exercise this option within one year of retirement.
- The lump sum payable to you is calculated with reference to the commutation table as provided in CCS (Commutation of Pension) Rules, 1981.
- Your monthly pension will stand reduced by the portion commuted
- But, your dearness relief entitlement will be calculated on the basis of the full pension (i.e. including the commuted portion)
- The commuted portion of pension will be restored to you on the expiry of 15 years from the date of commutation.
- In the event of death of pensioner, commuted portion is not deducted from family pension.

Retirement Gratuity

- 5 years of qualifying service and eligibility to receive service gratuity/ pension is essential to get this one-time lump sum benefit.
- Your retirement gratuity is calculated at the rate of ¼ month's emoluments for each completed six-monthly period of qualifying service subject to a maximum 161/2 times the monthly emoluments.

- Emoluments for this purpose will include DA admissible at the time of retirement.
- There is no guaranteed minimum amount.
- The maximum retirement gratuity payable is 161/2 times the emoluments limited to Rs. 20.00 lakh from 01.01.2016.

Dearness Relief

- Dearness Relief is sanctioned as compensation against price rise.
- The quantum payable will be governed by the orders issued by the Government from time to time.
- All pensioners, irrespective of the amount of their pension, are eligible for this benefit (expect these on re-employment).
- **There is no ceiling in regard to the total of pension plus dearness relief which a pensioner can receive.**

Family Pension

- Family pension becomes payable to the Widow/Widower or an eligible family member from the day following the date of death of the employee either while in service or after retirement.
- The decreased employee should had either one year of continuous service or should have been declared medically fit for service if death takes place before completion of one year of continuous service.
- It is normally payable only to one member of the family at a time barring cases wherein more than one widow is left behind, twin children, etc.
- The Guaranteed minimum pension is Rs. 9,000 (Rupees Nine thousand only) (Since 01.01.2016). In addition, Dearness relief as per prescribed rate is also payable.
- Entitlement is calculated as shown below:

Basic Pay	Amount of Monthly family pension
All levels	30% of basic pay subject to a minimum of Rs. 9000 per month (11th bipartite settlement)

- In case of a Bank Employee who dies while in service family pension at enhanced rate is admissible for a period of ten years from the date following the date of death. In case of death of a pensioner, family pension at enhanced rate would be payable for a period of seven years or till the pensioner would have attained the age of 67 years, whichever is earlier.
- Like pension, family pension is also payable upto and including for the day of death of the recipient.
- But, family pension is payable for life to a son/ daughter who is suffering from any disorder/ disability of mind or is physically crippled /disabled/ thus rendering him/ her unable to earn a living. Dependent, divorced, widow and unmarried daughter, dependent parents, dependent disabled siblings are eligible for family pension for life subject to fulfilment of certain conditions.

Dearness Relief

Dearness relief to family pensioners is paid at the same rate and on the same conditions as for pensioners.

Important notes

Reserve Bank of India monitors disbursement of pension by its agency banks in respect of all Central Government Departments and certain State Governments. It has been receiving several queries/complaints from pensioners in regard to fixation, calculation and payment of pension including revision of pension/ Dearness Relief from time to time, transfer of pension account from one bank branch to another, etc. We have analysed the queries/ complaints, rights and duties of pensioners and put the same in the form of answers to these Frequently Asked Questions. It is hoped that this will cover most of the queries/ doubts in the minds of pensioners.

1. Can the pensioner draw his/ her pension through a bank branch?

Yes. Even the Government employees earlier drawing their pension from a treasury or from a post office will have the option to draw their pension from the authorized bank's branches.

2. Who is the pension sanctioning authority?

The Ministry/ Department /Office where the Government employee last served is the pension sanctioning authority. The pension fixation is made by such authority for the first time and thereafter the refixation of pay, if any, is done by the pension paying bank based on the instructions from the Central/ State Government authorities.

3. Is it necessary for the pensioner to open a separate pension account for the purpose of crediting his/ her pension in authorized bank?

The pensioner is not required to open a separate pension account. The pension can be credited to his or her existing savings/ current account maintained with the branch selected by the pensioner.

4. Can a pensioner open a Joint Account with his/ her spouse?

Yes. All Central Government Pensioners and those State Governments which have accepted such arrangement can open Joint Account with their spouses.

5. Whether Joint Account of the pensioner with spouse can be operated either by ''Former or Survivor" or " Either or Survivor".

The Joint Account of the pensioner with spouse can be operated either by ''Former or Survivor" or "Either or Survivor".

6. What is the minimum balance required to be maintained in the pension account maintained with the banks?

RBI has not stipulated any minimum balance to be maintained in pension accounts by the pensioners.

7. Who sends the Pension Payment Orders (PPOs) to the authorized bank.

The concerned pension paying authorities in the Ministries /Departments/ State Governments forward the PPOs to the bank where from the pensioner desires to draw his/her pension.

8. When is the pension credited to the pensioner's account by the paying branch?

The disbursement of pension by paying branch is spread over the last four working days of the month depending on the convenience of the pension paying branch except for the month of March when the pension is credited on or after the first working day of April.

9. Can a pensioner transfer his/ her pension account from one branch to another branch of the same bank or to the branch of another bank?

(a) Pensioner can transfer his/ her pension account from one branch to another branch of the same bank within the same centre or at a different centre;

(b) He/ She can transfer his/ her account from one authorized bank to another within the same centre (such transfers to be allowed only once in a year);

(c) He/ She can also transfer his/ her account from one authorized bank to another authorized bank at different centre.

10. What is the procedure to be followed by the bank branch if the pensioner is handicapped /incapacitated and is not in a position to be present at the paying branch? If the pensioner is physically handicapped/ incapacitated and unable to present at the branch, the requirement of personal appearance is waived. In such cases the bank official visits the pensioner's residence/hospital for the purpose of identification and obtaining specimen signature or thumb/toe impression.

11. Has the pensioner got right to retain half portion of the PPO for record and to get it updated from paying branch whenever there is a change in the quantum of pension due to revision in basic pension, dearness relief, etc.?

Yes. The pensioner has right to retain half portion of the PPO for record and whenever there is a revision in the basic pension/DR etc. the paying branch has to call for the pensioner's half of the PPO and record thereon the changes according to government orders/notifications and return the same to the pensioner.

12. Can the pension paying bank recover the excess amount credited to the pensioner's account?

Yes. The paying branch before commencement of pension obtains an undertaking from the pensioner in the prescribed form for this purpose and therefore, can recover the excess payment made to the pensioner's account due to delay in receipt of any material information or due to any bonafide error. The bank has also right to recover the excess amount of pension credited to the deceased pensioner's account from his/ her legal heirs/nominees.

13. Is it compulsory for a pensioner to furnish a Life Certificate/Non- Employment Certificate or Employment Certificate to the bank in the month of November?

Yes. The pensioner is required to furnish a Life Certificate/Non – Employment Certificate or Employment Certificate to the bank in the month of November. However, in case a pensioner is unable to obtain a Life Certificate from an authorized bank officer on account of serious illness / incapacitation, bank official will visit his/her residence/ hospital for the purpose of recording the life certificate.

14. Can a pensioner be allowed to operate his/ her account by the holder of Power of Attorney?

The account is **not** allowed to be operated by a holder of Power of Attorney. However, the cheque book/ATM/ INB facility and acceptance of standing instructions for transfer of funds from the account is permissible.

15. Who is responsible for deduction of Income Tax at source from pension payment? The pension paying bank is responsible for deduction of Income Tax from pension amount in accordance with the rates prescribed by the Income Tax authorities from time to time. While deducting such tax from the pension amount, the paying bank will also allow deductions on account of relief to the pensioner available under the Income Tax Act. The paying branch will also issue to the pensioner in April each year a certificate of tax deduction as per the prescribed form.

16. Can old, sick physically handicapped pensioner who is unable to sign, open pension account or withdraw his/ her pension from the pension account?

A pensioner, who is old, sick or lost both his / her hands and, therefore, can not sign, can put any mark or thumb/ toe impression on the form for opening of pension account. While withdrawing the pension amount he/ she can put thumb/toe impression on the cheque/withdrawal form and it should be identified by two independent witnesses known to the bank one of whom should be a bank official.

17. Can a pensioner withdraw pension from his/ her account when he/ she is not able to sign or put thumb/toe impression or unable to be present in the bank?

In such cases, a pensioner can put any mark or impression on the cheque/ withdrawal form and may indicate to the bank as to who would withdraw pension amount from the bank on the basis of cheque / withdrawal form. Such a person should be identified by two independent witnesses. The person who is actually drawing the money from the bank should be asked to furnish his/ her specimen signature to the bank.

18. When does the family pension commence?

The family pension commences after the death of the pensioner. The family pension is payable to the person indicated in the PPO on receipt of a death certificate and application from the nominee.

19. How the payment of Dearness Relief at revised rate is to be paid to the pensioners?

Whenever any additional relief on pension/family pension is sanctioned by the Government, the same is intimated to the agency banks for issuing suitable instructions to their pension paying branches for payment of relief at the revised rates to the pensioners without any delay. The orders issued by Bank Departments are also hosted on their websites and banks have been advised to watch the latest instructions on the website and act accordingly without waiting for any further orders from RBI in this regard.

20. Can pensioners get pension slips?

Yes, monthly pension slip is automatically sent to the pensioner's email id if available with the Bank. In other cases pension slip can be obtained by the pensioner from any pension paying branch.

21. Which authority the pensioner should approach for redressal of his/ her grievances? In case pensioner need any clarification regarding their pension payment, the following options are available:

A pensioner can initially approach the concerned Branch Manager and, thereafter, the Head Office of the concerned bank for redressal of his/her complaint. They can also approach the Banking Ombudsman of the concerned State in terms of Banking Ombudsman Scheme 2006 of the Reserve Bank of India (details available at the Bank's website www.rbi.org.in) This is applicable only in respect of complaints relating to services rendered by banks. For other issues the complainant will have to approach the respective pension paying authority.

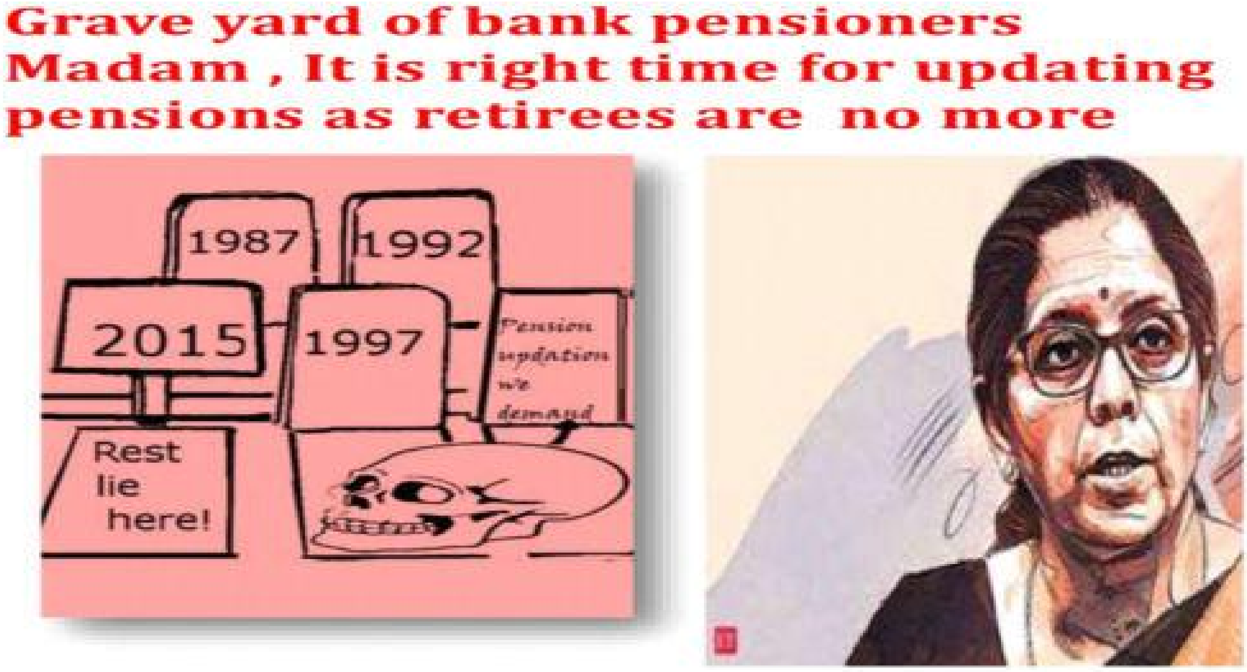
If you have any grievance / complaint in pension matters you may take it up with your Head of Office, the pension sanctioning authority or the pension disbursing authority, as the case may be. Each bank has a pensioner portal for this purpose.

22. Where can a pensioner get information about the changes in the pension/ Dearness Relief or any pension related issue?

The pensioner can visit the Official Website of the concerned Government Department as also Reserve Bank

Chapter 19

WHAT IS THE INJUSTICE DONE TO BANK PENSIONERS IN INDIA?



Pension scheme was first introduced to RBI pensioners wef 01/01/1986.This scheme was introduced for all scheduled banks in 1993 but retrospectively wef 01/01/1986..At that time an option was given to the existing employees to enter the pension scheme in lieu of PF contribution of the banks.Nobody knows the benefits of the pension scheme at that time. So some unions played a canvassed for not opting to pension scheme while most of the same union leaders opted for pension.It is still a mystery why the experienced leaders suggested like that when they themselves opted for pension.

At that time very few people opted for pension.So Banks gave one more option in 1995 so that some more may opt for pension but not much publicity is given for this opportunity. But the same union leaders pooh poohed the opportunity and discouraged the pension /option. So the option was closed and only 48% opted for pension and 52% opted for PF.

After a few years every one realized the pension option is much more beneficial than PF option. Then there was demand from employees to get one more pension option but rejected many times. Ultimately this option was given only in 2010, that too after collecting a huge penalty to fill up the gap in pension funds.

Meanwhile from 01/05/2005, higher percentage of DA neutralisation is given for all those who retired wef 01/11/2002 and the same was denied to those who retired before that date. This is an unjust and unethical discrimination and never rectified inspite of repeated representations. Consequently the pre November 2002 pensioners are losing Rs2000toRs6000 or more compared to their counterparts who retired after that date.

In Central government pensions are also revised or updated whenever wage revision takes place. But this is not done for Bank pensioners. Consequently the old pensioners get much lesser pension than the recent retirees even though both have equal service and retired in the same grade. I will put this injustice in one sentence. Father and his son retired in the same grade with full service but with a gap of 30 years. But the father gets only 50 percent of pension received by his son.But in Central government the old pensioners who crossed the age of 80years get higher pensions than their juniors. Thus it is total paradox for bank pensioners.

Family pension given is very much lower compared to that given to RBI and Central Govt pensioners. Even though the pension scheme was originally designed on the pattern of RBI and Central government pension schemes, periodical updation/revision and parity was denied. Consequently the old pensioners are losing much more than the recent retirees.

Unfortunately some resignees with more than 25 or 30 years of service are still not given pension option inspite of Supreme Court verdicts in similar cases. The banks gave option only to the decree holders but not to all resignees with equal experience in general.

To fullfil the demands it doesn't cost much compared to the 250000 Crore Rupees of Pension Funds lying accumulated by the contributions of employees and banks jointly. Neither the government nor the banks need strain themselves to meet these genuine demands.

Many pensioners filed cases in various courts. But most of them are now bed ridden or left this world of Injustice since each case takes 20–25 years to get final verdict from Supreme Court. In a few cases even the Supreme Court verdicts are not implemented unless contempt of court petition is filed and reprimanded by the Supreme court.

This is the respect given by Banks and Government to Senior citizens, or Super Senior Citizens retired from Banks.This is the so called "Corporate Social Responsibility " displayed by Banks and the Government.

BANK RETIREES ARE ANXIOUS ABOUT UPDATION OF PENSION AND ARE ALSO JUSTIFIABLY DEMANDING100% DA ON THEIR FULL PENSION.

Three prime issues that are being seriously and anxiously expected by the bank retirees - be it a subordinate staff or a clerk or an officer not excluding even top Executive retirees are 1. Updation of Pension 2. 100% Neutralisation of DA on full Pension and last but not the least 3. Uniform Medical Aid/Hospitatlisation Scheme covering the retirees from all banks either through hassle-free insurance scheme or 100% reimbursement under the hospitalisation scheme of the Banks without any ceiling.

The retirees are looking to the in-service unions at Bank level, UFBU at the industry level or for that matter the Bank Retirees' Federation for resolution of these issues of great importance to them.

With regard to payment of 100% DA on Pension sans any tapering, there is absolutely justification in the demands of the retirees, since the in-service employees who were having different DA slabs operating on the Pay {Basic Pay + Special Pay + PQP or Educational Qualification Allowance + FPP} upto 30.04.2005 have been receiving 100% DA with only one slab operating for their full Pay with effect from 01.05.2005. Hence the retirees after 01.01.1986 and who while being in service were being governed by the various slab rates of DA compensation from 100% to 25% should be extended the benefit of one slab of 100% DA compensation on the entire pension from the same date.

Similarly, with regard to Updation of Pension, the Pension Settlement signed between the IBA and the Unions which were party to the historic pension settlement entered into on 29th October 1993 had made a mention about the updation of pension as and when the wage revisions take place in future. Individual Bank's Pension Regulations dated 29th September 1995 introduced an updation formula for the retirees after 01.01.1986 fitting them into the Pay Structure which came into existence from 01.11.1987 and accordingly the eligible retirees prior to 01.11.1987 had their Basic Pension updated on the formula of 50% of the Pay upto the Pre-revised scale of pay of Rs.1000/-, 45% for the next Rs.500/- of the Basic Pay; 40% of the Basic Pay beyond Rs.1500/- and adding DA upto 600 points to arrive at new Basic Pay. 50% of it was Basic Pension. The V Pay Commission recommendations as well as its implementation has given an unambiguous updation formula which is in force even now. It is clear that any retiree prior to the period of the V Pay Commission i.e. 01.01.1996 will have his/her pay taken on notional basis to that of the V CPC assuming that the concerned officer had remained in service during the period and the pension will be worked out to 40% of the Pay. If he was a retiree during the V CPC period, then it would be 50%. This has ensured an anomalous-free updation formula till date. When the pension settlement was signed in the banking industry or when the Pension Regulations have been adopted by respective Bank Board, it is with the clear dictum that bank pension rules is modelled on central government pension rules, called as CCS Rules and that of the RBI Pension Regulations. Hence there is an absolute need for updation of pension. The loss to the pensioners is very huge and there is no justification what so ever as to why the updation is denied to them.

If we look to the sufferings of the retirees who are refusing to go for even check up, much less getting hospitalised, it is surely because of the commercialisation that rules the roost when it comes to exorbitant charges that are being levied even by mediocre hospitals/nursing homes or pathology units. It is for this sheer reason that introduction of uniform medical id/hospitalisation Scheme for the retirees from all banks brooks no delay.

A WORKING ON THE 100% DA FOR ALL RETIREES PRIOR TO 01.11.2002
AND UPDATION OF PENSION FOR ALL RETIREES UPTO 31.10.2007

RETIREES DURING THE PERIOD

Basic Pay	Pension	Pension + DA	If 100% DA is paid	50% Updation Pension + DA	40% Updation Pension + DA
1670	835	6581	6581	10680	8544
3220	1610	12244	12688	19148	14773
4520	2260	15765	17359	24594	19675
5050	2525	16493	19394	27572	22058
5650	2825	17316	21698	32508	26007
7000	3500	19170	26883	44252	35402
RETIREES DURING THE PERIOD 01.11.1992 TO 31.10.1997					
6420	3210	12777	13209	19148	15318
9200	4600	16597	18929	25274	20220
10450	5225	17723	21501	30806	24645
12650	6325	19704	26027	39827	31861
14000	7000	20920	28805	44252	35402
RETIREES DURING THE PERIOD 01.11.1997 TO 31.10.2002					
5850	2925	8232	8232	11361	11361
10880	5440	14739	15310	19828	15863
14240	7120	17566	20038	25275	20220
15760	7880	18671	22177	28338	22671
17280	8640	19776	24316	33444	26755
21300	10650	22698	29973	44252	35402

The above table is prepared on an illustrative basis and hence not exhaustive. We have in fact made working for all the 36 possible stages on which retirement normally takes place in all cadres from subordinate staff to General Manager cadre and based on the August 2012 month DA paid to the bank retirees, after one completes the minimum full qualifying service of 33 years in order to get full basic pension of 50% of last drawn basic pay. Only the basic pay has been taken into account and the FPP, PQP, SPECIAL PAY & Educational allowances drawn by the retiree at the time of retirement have not been reckoned. The columns above are: Basic pay drawn at the time of retirement, basic pension at 50%, the present basic pension + DA drawn, if 100% DA is conceded, what would be the amount of basic pension + DA @ 100%, updation of basic pension at 50% of the IX Bipartite/joint note effective from 01.11.2007 for all retirees upto that period and the assumption that if the updation is done for past retirees at 40% of the basic pay of 01.11.2007 on the lines of the central government CCS Rules governing Pension.

The working has been done taking into account approximately 1,23,500 retirees upto 31.10.2007 from the inception of pension implementation i.e. all those who have retired after 01.01.1986.

Based on the working for the entire number of retirees who have to get the advantage of 100% DA, updation of pension till 31.10.2007, costing exercise has been undertaken. It is found that if 100% DA is to be paid to all retirees upto31.10.2002 for the entire basic pension instead of the present system of DA compensation which is based on four slabs of 100% for a small part of pay for officers, 82.5% for a part, 50% for another small part and for a major part at 25% compensation of DA [Since all retirees after 1.11.2002 are being paid 100% DA on full basic pension with single slab of DA @ 0.18% for all from sub staff to General Manager] then the annual costing of implementation of 100% for all past retirees comes to Rs.291 crores.

In respect of updation of pension at 40% updation, on the lines of central government pension rules for retirees prior to the date of the present pay commission period, upto the retirees of the period i.e. 31.10.2002 and 50%

updation for the retirees after 01.11.2002 [since for them 100% DA has already been implemented and the 40% updation for them would be adverse] the annual costing comes to Rs.431 crores.

If pension updation is done at 50% of the notional pay taking all retirees basic pay to the equivalent stage in the present scale of pay effective from 01.11.2007, then the annual cost of pension updation for the 1,23,500 retirees comes to about Rs.1082 crores.

Calculations have been done on exact basis though the number of retirees from sub staff cadre to the General Manager cadre in respect of all the retirees from 01.01.1986 may vary based on certain number in each stage of retiral level. It can very confidently be said that the cost mentioned cannot be more than the above working and hence cannot go beyond this amount. In fact, cost would be less only.

For information of all concerned, it is stated that the total establishment expenses in the banking industry as of 31.03.2012 for the entire in-service employees and officers - numbering about 8,00,000 - as has been furnished to the Negotiating Unions for the X Bipartite Settlement/Officers wage revision - has been given as Rs.56292 crores. Under this circumstance, conceding the 100% to the entire about 1,23,500 retirees comes to just Rs.291crores which would be just a meager 0.55% of the total establishment expenses.

Similarly for 40% updation of pension upto 31.10.2002 and 50% for retirees during 1.11.2002 to 31.10.2007, it comes to Rs.431 crores i.e. 0.76% of the establishment expenses as of 31.03.2012.

For 50% updation of pension which is our demand as well as that of the Bank Retirees' Federation, if conceded for all the retirees' upto 31.10.2007, then the annual costing which is estimated at Rs.1082 crores is just 1.92%

THE WOEFUL TALE OF BANK PENSIONERS

Salaries in public banks are far less attractive than in private banks. The only consolation is the provision of pension which too has now been reduced to a measly sum. An updation of the pension scheme is seen as necessary because a bank employee who retired in the 1990s gets a fraction of the pension that a recently retired employee draws. This is because the pension is linked to the last drawn basic salary, which was capped at Rs 10,000 in the 1990s

Public banks have played a historically stellar role in financial inclusion and the development of the social sector. They have been the backbone of the government's socio-economic agenda and have made a transformative impact on the country's development landscape. But sadly, the contribution of their employees has not been adequately recognized. The government has paid little heed to their worsening service conditions. While there have been paltry raises in salaries, there has been virtual stagnation in pensions for over two decades particularly when inflation has been soaring to such high levels.

Salaries in public banks are far less attractive than in private banks. The only consolation is the provision of pension which too has now been reduced to a measly sum by a strange and unjustifiable logic of the government. This logic doesn't meet the test set out in several judicial pronouncements as also the stipulations of several publicly recognized welfare codes for senior citizens.

There may have been some black sheep in the industry that have tarnished the image of banks, but the entire fraternity cannot be made to suffer and atone for their misdeeds. We must understand that even government departments have suffered periodical scams but that has never detracted us from the remarkable work of some of our outstanding civil servants. The bureaucracy forms the bulwark of India's public administration and the misconduct of some employees has not prevented the government from doing justice to the sector as a whole. So is the case with the public banking sector. The employees have always delivered on official policies and programs. In the absence of competitive salaries, the only motivation for keeping their morale intact is fairness with them in their service conditions. Their overall compensation should be commensurate with both the volume of work and the nature of risks involved in the operational roles.

Salaries, leaves, and other service conditions of public sector bank employees are decided by bilateral agreements entered into between management and employee representatives once every five years.

But ironically, pension does not form part of this contractual arrangement. This is where the parallel between the government sector and the banking sector ends. During the signing of the 10th bipartite settlement with the staff unions of banks, the Indian Banks Association (IBA- a pan-India federation of banks) clarified that "as banks do not have any contractual liability towards the pensioners, the demand for revision of pension along with salary revision cannot be accepted".

Pensions in government are typically inflation-indexed. This is not so in the case of bank employees. The pension of bank retirees is not revised/updated in line with the periodical revision of salaries as is done in the case of government employees where both salaries and pensions are simultaneously revised when the periodical Pay Commission's wage revision take effect. While the lowest grade government pensioner gets a proportional raise at every such revision, this is not so in the banking sector. Here, even a retired top-grade executive has to make do with a fixed pension throughout his entire life. He might have been at the helm of affairs of a large bank, enjoying attractive perks, but his post-retirement life is made miserable by the government logic that makes his plight worse when he is likely to be most in need of assistance and care. In fact, the government is so magnanimous with its pensioners that it gives a few percentage points increase for those who have completed 75 years of age. This is further enhanced in higher age bands. This in indeed a laudable gesture and demonstrates not just policy wisdom but reflects the enlightened thinking of modern societies. All this logic is lost when the rules for bank pensioners are formulated, even though their case is identical. This contradictory approach smacks of bias and unfairness.

BASIC PENSION FOR BANK RETIREES HAS NOT BEEN REVISED FOR ALMOST TWO DECADES THOUGH INFLATION WENT UP 10 TIMES.

The family pension in banking is only 15 percent while in the RBI and government, it is 30 percent. In some cases, the amount of pension paid for bank retirees is a measly sum of Rs. 175 per month, not enough even for a monthly cable subscription for a TV. In such a situation, old age is an increasingly scary prospect for bank employees. This position is quite contrary to even the basic notions of social protection for ordinary senior citizens. We are already moving to a social protection age where several countries provide old-age allowance and universal pension.

It is an acknowledged fact that the government's socio-economic programs have to make extensive use of the banking platform for both delivery and monitoring. It is public banks that have revolutionized rural India through the social banking era of the 1970s and the subsequent village adoption and branch expansion regime.

Public banks continue to remain the primary hope for India's financial inclusion agenda and delivery of its development programs. They are the one-stop delivery platform for all financial needs of the local rural populace. With financial inclusion being universally recognized as an important tool for alleviating poverty and improving the lives of the disprivileged, it is all the more important that we address some of the appalling working conditions of bank employees.

One of the reasons adduced for denial of the claim of bank staff for commensurate wages and pensions is India's pile of soured loans. One must understand that this is only part of the making of bankers. It is actually a classic example of how powerful and politically influential tycoons have undermined financial norms and bank regulations to secure credit and then default on it. When borrowers become insolvent, their loans are added to an existing mountain of debt. Each time this happens banks have to make heavy write-downs, ploughing the dud loans like rotten potatoes, ultimately blocking the credit line and vitiating the credit culture. But why should the bank staff be penalized for this conundrum? This is in fact further compounding the whole problem. We have dedicated forums that are already dealing with the malfeasance of individual staff. But the general criticism and censure of the entire banking community seriously impacts the morale of employees. We must not forget that the momentum created by the earlier generations of bank employees continues to propel the workforce even in the face of a pandemic like Covid-19. We all know the huge casualties that public banks have suffered during demonetization.

POLITICIANS ARE ALSO GUILTY OF UNDERMINING THE INTEGRITY OF BANKS. THEY HAVE BEEN STACKING THE DECKS WITH POPULIST SOPS AND HAVE USED BANKS AS SPIGOTS FOR BURNISHING THEIR ELECTION CREDENTIALS. MOST BIG DEFAULTERS HAVE THE MONEY TO EMPLOY LEGAL EAGLES WHO CAN GAME THE JUDICIAL SYSTEM—IT IS HERE THAT THE LAW FLOUNDERS. INDIA HAS SOME OF THE MOST DRACONIAN LAWS IN BOOKS, WHICH HAVE SADLY PROVED INEFFECTIVE AGAINST POWERFUL DODGERS. WE KEEP ADDING NEW LAWS WHEN THE EXISTING ONES ARE ADEQUATE AND JUST NEED MORE TEETH TO GET RESULTS. MOST OF OUR LAWS LACK IMAGINATION AND FORESIGHT AND IT TAKES A LONG TIME TO MAKE THEM ROADWORTHY. MANY OF THEM DON'T MEET THE TESTS OF JUDICIAL SCRUTINY.

A moot point is that the government has to shoulder the additional financial burden required for the pension revision of its employees, which is usually done by adjusting the tax rates which increases their revenue to meet this additional expenditure. Thus, government pensions have to be funded by the taxpaying public.

Most banks are already making provisions for pensions by setting apart portions of their profit towards pension reserves. Thus, in the case of bank employees, pension is paid without any outgo of revenue on part of banks or government, as such payment is made out of the reserves. This reserve represents money, property, and deferred wages of employees that are held in trust by the banks themselves. In the case of the State Bank of India, the trustees of its Pension Fund have over the years built an adequate corpus for meeting future pension obligations. It is considered sufficient to meet pension liabilities for a long future.

THE SUPREME COURT HAS RULED THAT PENSION IS A DEFERRED WAGE PAYABLE TO A RETIREE AND HENCE IT IS THE STATUTORY RESPONSIBILITY CAST ON THE EMPLOYERS. THE SUPREME COURT'S EPOCHAL OBSERVATION IN A DIFFERENT CONTEXT (ASSISTANT GENERAL MANAGER, STATE BANK OF INDIA V. RADHEY SHYAM PANDEY, 02.03.2020) HAS RELEVANCE IN THE PRESENT CONTEXT ALSO:

"The basic framework of socialism is to provide security in the fall of life to the working people and especially provides security from the cradle to the grave when employees have rendered service in heydays of life, they cannot be deprived of in old age, by arbitrarily taking action and for omission to complete obligation assured one."

In public banks, the pension structure was designed exactly on the principles that were applied to pensioners of the Reserve Bank of India. In compliance with clause 6 and 12 of the Memorandum of Settlement dated 29.10.1993 between Indian Banks' Association and All India Bank Employees Association, entered into under the Industrial Disputes Act, it was clearly specified that the general conditions of pension scheme in banks shall be on the lines of the RBI Pension Scheme.

The government had at one stage declined the RBI employees' demand for revision of pension on the lines of government employees on the ground that it would have a contingent effect, and would lead to similar demands from other public sector banks. The financial burden of updating pension in the RBI was Rs. 858 crores while the bank's pension corpus was around Rs. 12,000 crore. The government had to finally agree because the logic was on the side of RBI employees. RBI pensioners got a notional rise of 10 percent in their salaries plus dearness allowance with each of the three wage revisions in 2002, 2007, and 2012. In the case of public banks too, the corpus available is far larger than the actual financial burden involved in the payment of pensions. But the government doesn't want to apply the same principle to public banks. Maybe, the RBI clout was too strong to be overlooked. In addition, the workforce of RBI was much smaller than that of public banks. According to bank unions, the pension corpus of public sector banks is at about Rs. 171418 crore, which is 14.28 times of RBI's pension corpus. Thus fair pensions are not only necessary for bank employees, but they are also affordable for most banks.

With the government having shown both wisdom and prudence in revising/updating the pension of employees of RBI, one hopes it will show the same prudence in the case of public banks. The PSB employees deserve the undoing of this long-entrenched injustice. Their service conditions require a serious relook. Their work involves physical and mental discomfort as well as great risks. Many of them have to work in hard geographical and climatic terrains and are constantly exposed to threats of fraud and even physical assault.

Banking has always served as the chariot of India's development success. Behind this gleaming image is the largely undocumented saga of grassroots employees of banks, particularly those who are engaged in development work in remote locations. The work of these employees may not command great attention; but in merit, it may equal or exceed the greater and more conspicuous actions of those with more freedom and power.

When it comes to compensation, one or more issues often get mixed up. There is talk of money buying talent but not a commitment, the development banking sector needing a high level of commitment, and so on. This may be true, but one must not forget that a large number of competent, committed, and concerned people would not venture into the banking profession if it did not secure their future financially.

ANSWER TO MANY QUESTIONS! Must Read, Preserve & Circulate

PENSIONERS HAVE A LEGAL RIGHT TO BE PAID PENSION IN TERMS OF BANKS PENSION REGULATIONS 1995 INCLUDING UPDATION OF PENSION PROVIDED IN THE SAID REGULATIONS

To ensure adequacy of Pension Funds is the statutory obligation of the Bank. The Organisations of Pensioners have been maintaining this position since beginning. When IBA started denying the legal and legitimate demand for updation on the grounds of inadequacy of Fund, it was found that Fund is quite robust to afford updation at the present juncture. The actuary's estimated amount of additional funding at the end of each year (31st March) and the Certificate by the Auditors of Pension Fund are believed to be true by the Pensioners to substantiate their contention that the Funds available are adequate. The funding is an absolute obligation of the banks in terms of Pension Regulation 11 - a subordinate legislation having force of law. Under such circumstances it is futile and unnecessary to undertake any detailed exercise in our anxiety to strengthen the case to exaggerate the need for exorbitant funds. It is essentially a bank wise exercise which is being done annually and we do not have reasons to suspect the wisdom of Actuaries and the Auditors and harm our own case in the process. Moreover it is a close ended scheme and no genius on earth can precisely estimate the method of funding to ensure perfect matching of Pension Funds with the last pensioner's life tenure. For a perpetual organisation like bank Funding has to be ensured not only by contributing 10% + additional funding at the end of each year as per the estimate given by the Actuary for the serving employees but even after superannuation of every single pensioner, if Pension Funds were found to be deficient at any stage.

Our Pension Scheme being on the lines of the pension scheme of RBI and Central Government Pension and Commutation Rules calls for updation to uphold the sanctity of Article 14 of our Constitution - Equality Before Law.

It is intriguing to note that the Banks which do not blink before making huge Regulatory Provisions for NPAs are feeling shy to fulfil their statutory obligation to provide adequately for Employees pension payments..

With Regard to Pension updating, funding, continuity of pension Payment, safety of fund matters number of questions are being raised. I have examined all these questions in the light of Pension Agreement, 1993 and Pension Regulations, 1995 under which Pension is being paid.

Whether our concerns in these matters are genuine and relevant, we examine them in this write up.

However, 1616/1684 issue was settled through SCI judgement in a private writ and so is the case of Special Allowance since declared illegal by Court. In these matters Unions stand nowhere in scene. Despite Court Order, Special Allowance is still under discussion for reasons best known to parties. It may be with idea to show it as Unions achievement in 11th settlement.

We don't discuss here the terms of 2nd pension option, violating Regulations, 1995, depriving due pensionary benefits to large number of people, though the Banks have had recovered huge cost from new pension optees.

All Pension Activists are requested to widely circulate this article among working and retirees employees.

SETTLEMENT DATED 29.10.1993 OVER PENSION IN BANKS - UNDER SECTION 2(P) AND SECTION 18(1) OF THE INDUSTRIAL DISPUTES ACT OF 1947 READ WITH RULE 58 OF THE INDUSTRIAL DISPUTES (CENTRAL) RULES, 1957.

Cl. 12 of Settlement reads as under:

"12. Provisions WILL BE MADE by a scheme, to BE NEGOTIATED AND SETTLED between the parties to this settlement by 31st December, 1993 for applicability, qualifying service , amounts of pension , payment of pension, commutation of pension, family pension, UPDATING and other general conditions, etc. on the lines as are in force in RBI."

Read above clause carefully. One sentence paragraph, according to which a Scheme was to be negotiated & settled between the parties by 31.12.1993 with regard to applicability, qualifying service, amounts of pension, payment of pension, commutation, family pension and (MOST IMPORTANT) UPDATING & other general conditions, etc., but on the LINES as are in force in RBI. Well, let us agree that these aspects were negotiated and settled between the parties, based on which Pension Regulations, 1995 was drafted. These modalities were to be worked out on the lines as were in force in RBI. So, 'No UPDATING' clause in our Regulations, 1995, is very well in line with RBI, where too no updating clause was in existence. RBI Unions raised Pension Revision Demand, despite no revision clause, and achieved through thick and thin of struggles in RBI, Courts and ultimately with Govt of India and won it. We think, it's enough to explain as to how 'revision Clause' didn't find place in Pension Regulations, 1995 and for revision it's not very relevant obstacle at all.

Further, Pension Revision is embodied in Pension Regulations, 1995 itself in terms of which Pension for periods 1.1.1986 and 31.10.1987 was revised vide Clause 35 of Regulations. So, element of 'revision' did exist from day one of Pension. Norms for revision were also laid down in appenfix-1 of Clause 35 of Regulations, 1995.

One more point, we must keep in mind, where law is not specific or silent, inferences are drawn from the usage & practices. In Pension Regulations, 1995, there might not be specific mention of 'Revision', but at the same time, there is no such mention as of 'no revision' or 'one time' fix clause as well. So, in this regard inferences are to be drawn from 'Pension Rules' prevalent elsewhere in Indian context and settle the issue accordingly.

Now, RBI revision is fittest one to draw inference because our Pension Scheme is replica of RBI Pension Scheme. In these backdrop, it is immaterial whether there is revision clause or not. Bear in mind, there was a time when Pension was not in Banking service conditions, but something new was thought of, conceptualized, fought and achieved. Improvement in service conditions is a perpetual and going on processes and for trade Unions it holds no merit to shirk from solemn responsibility to achieve something which is legitimate, genuine & in the interest of working fraternity, on baseless pretexts.

Now, look to other aspect of Funding. Cl.7 deals with composition of the Fund which reads as under:

The Fund shall consist of the following, namely-

(a) the contribution by the bank at the rate of ten percent, per month of the pay of the employees;

(b) the accumulated contributions of the bank to the Provident Fund and interest accrued thereon unto 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 insecurities purchased out of the money's of the Fund and interest thereafter;

(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 Regulation 11 of these regulations;

(g) any income from investments 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.

Read above terms carefully, the source of Funding, as envisaged in Regulations. Is there any mention of employees financial obligation towards Pension Funds, other than Banks' PF portion? Then why, whenever wages were revised in past, Unions agreed with IBA for sharing 50% of increased pension cost from financial load sanctioned for employees and officers? There is no such clause that entitles IBA to recover it. It's landmark question of impropriety. As happened, in all last settlements 50% increased pension load was recovered from sanctioned load, from employees side that hammered pay rise even of those who are under NPS.

Now, let us invite your attention to Cl.11 of Regulations. It reads as under:

11.Acturial 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 contribution to the Fund as may be required to secure payment of the benefits under these regulations.

Read this clause, which very clearly says for actuarial investigation of Pension Fund every year and calls upon Banks to make 'additional contribution to the Fund as may be required to secure payment of benefits under regulations'. Is there any financial obligation of employees? Law doesn't call for what Unions offered to IBA on golden plates. This time again it will be done.

It was a quid-pro-quo deal and as required under rules, pensioners have had to forego their right to Banks' Provident Fund contributions. There is no any other obligation at all on Pensioners with regard to Pension Funding. Onus squarely lies on management to maintain the adequacy of Funds so as to ensure last outgo of Pension.

Let us examine another aspect where people doubt about continuity of Pension payment. Cl.5, Constitution of the Fund, envisage to establish an irrevocable Trust. Fund's object is laid down for 'sole purpose' to pay Pension in accordance with Pension Regulations, 1995. Now see legal status of Irrevocable Trusts, which have been formed in every Bank. Law defines Irrevocable Trust as under:

"Irrevocable Trust Law and Legal Definition. Irrevocable trust is a trust that cannot be modified or terminated without the permission of the beneficiary. ... Once the grantor has transferred assets into the trust, s/he has no rights of ownership to the assets and the trust."

Even if Banks don't exist, Pension Trust shall pay Pension. It can't be dissolved or taken over by Banks.

Pensioners doubt that Banks can acquire Pension Fund, which legally can't be done. Pension Fund can be specifically used as stated in Cl.13 of Regulations, 1995 for following purposes:

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

It's satisfying provision that ensures, fund can only be used for payment of specified benefits only.

One more aspect to be noted. Cl.12 of Regulations, 1995 even prohibits Trusts to park their Find in their respective Banks. Look into the followings:

Cl.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 utilized in accordance with the Provisions of the Indian Trust Act, 1882 (2 of 1882)

Pension Regulations, 1995 have very wider perception with regard to disputes arising out in implementation at any point of time. Cl.56 of Regulations, 1995 reads as under:

Cl.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 prevision sanction of the Central Government, may from time to time, determine.

Now, interprete above clauses. Bank Pension Scheme is tagged to Central Govt Pension Rules therefore there can be a cause of dispute, whenever CCSR 1972 or CCS (Commutation of Pension) Rules, 1981 undergo change (s). On several occasions in past these rules have had undergone changes, but Unions never raised any dispute in relation to our Pension.

Pension Regulations, 1995 is the basic subordinate legislation, which can be modified positively, but not negatively. It was negatively modified in 1616/1684 matter, challenged & struck down. It was negatively modified in Special Allowance matter, challenged & struck down. 100% DA case people lost at the instance of AIBRF, but fact is that in compensation matter there can't be discriminating rules in one establishment. This entitles retirees same DA, as applicable to working staff.

If you examine Second Pension Option terms in relation to Pension Regulations, 1995, many negative modifications have been made, invalid in the eye of law, if challenged. If someone disagree to it, better he should approach a competent law officer with all documents.

THE WORKING OF UPDATION OF PENSION IS AS FOLLOWS:-

Facts:-

1. Mass recruitment in Banks started from the year 1969, before which number of staff was very less in Banks.
2. Mass Recruitment was stopped from the year 1982.

3. Again Recruitment started from the year 2010.
4. Staff joined on or after the year 2010 is covered under separate Pension Scheme, namely NPS.
5. Pension Fund is a closed Fund after the year 2010, which means that there are/will not be any new entrant after the year 2010.
6. Pension fund balance as on 31.03.2018 was Rs.240 lakhs crores.
7. In the year 2017-18, interest earned on the Pension Fund was Rs.18,400 crores, i.e. average rate of interest is 8%.
8. In the year 2017-18, Pension of Rs.14,800 crores was disbursed.

Assumptions based past facts:-

1. Pension Disbursement will increase by average compound rate of 5% every year due to DA increase.
2. Pension fund will earn same rate of interest i.e. 8% p.a., henceforth.
3. The average life of present pensioners is further 15 years from the year 2018, i.e. upto the year 2033.
4. The surplus funds available from the balance of pensioners died before the year 2033, will be available for disbursement of pension to the pensioners surviving after the year 2033.

Working:-

1. position of Pension fund with above facts and assumption
2. position of Pension fund with updation with average rise of 22% in the year 2020 and further 15% rise after every 5 years
3. Average 22% rise means (i) 15% rise to retirees before the year 2020, (ii)17.50% rise to retirees before the year 2015, (iii)21% rise to retirees before the year 2010, (iv)24.50% rise to retirees before the year 2005, and (v)28% rise to retirees before the year 2000.

Inference

1it is clear that with normal rise of DA, huge surplus of Rs.1,95,022 crores in pension fund will be available with the Banks in the year 2033. This surplus is many times more than the funds required for payment of pension to the pensioners surviving after the year 2033.

2. it is further clear that even periodic updation as above is granted, present funds are sufficient upto the end of year 2033, when most of the Pensioners have said good bye to this world. The surplus funds available of the balance of pensioners died before the year 2033, will be available for disbursement of pension to the pensioners surviving after the year 2033.

Thus, the contention of IBA that Pension funds are not sufficient for up-gradation, is false. On the contrary, Banks would not be required to contribute anything in present as well as in subsequent BPS for upgradation of Pension. If the Banks contribute something, more liberal upgradation may be possible.

Dear friends

FM interacted through Video Conference on 28th Oct with the Chairman of IBA on the Progress of Wage Revision Talks with Unions.

“Appreciating the dedicated work during the Covid period by bank employees, she said she has asked SBI to talk to the Indian Banks Association to sort out issues related to bank employees, their pension, family pension and pension for those who retired some time ago, whose pension is not commensurate with the pension of equal rank.

“I want bank employees to be given their due. A lot of pensioners are waiting for very long time. Yesterday, I had meeting with Rajkiran Rao of IBA. I spoke to him, too. We need bank employees to be attended to, particularly their families and the pension of retired employees,” she said. (BL dt 29th Oct 2020)

Now it is more than 10 months this issue is back ot square 1Pension Updation in RBI

1. Government of India vide its notification dated 05.03.2019 has approved formula for pension Updation to RBI pensioners after decade long struggle of employees and retirees.

2. For the purpose of Updation ,RBI pensioners have been divided in 5 groups as under

(a) Retired Between 01.01.1986 to 31.10.1987	GROUP A
(b) Retired Between 01.11. 1987 to 31.10.1992	GROUP B
(c) Retired Between 01.11.1992 to 31,10.1997	GROUP C
(d) Retired Between 01.11.1997 to 31.10.2002	GROUP D
(e) Retired Between 01.11.2002 to 31.10.2007	GROUP E
(f) Retired Between 01.11.2007 to 31.10.2012	GROUP F
(g) Retired Between 01.11.2012 to 31.10.2017	GROUP G

3. As per the above notification of the Government, pension will be updated for the groups as under

GROUP	INCREASE IN BASIC PENSION
GROUP A	As per Court order + 3.63times
GROUP B	As per Court Order + 3.63 times
GROUP C	As per Court Order + 3.63 times
GROUP D	3.63 times
GROUP E	2.44 times
GROUP F	1.76 times
GROUP G	to be negotiated

DEARNESS RELIEF

Dearness Relief for all the groups after updation will be calculated on CPI Index 4440.

From February 2019 onwards rate of DR is 61.1 per cent of Basic Pension.

EFFECTIVE DATE

01 MARCH, 2019

INCREASE IN PENSION ON UPDATION

GROUP	PRESENT BASIC	DR	TOTAL	UPDATED BASIC	DR	TOTAL	INCREASE	PER CENT
D	100	312	412	363	221	582	170	41.36
E	100	206	306	244	149	393	87	28. 43
F	100	152	252	176	107	283	31	12.31

LOGIC CONSIDRED FOR ARRIVING UPDATION FORMULA

1. CPI at which DA was merged in the last settlement
2. CPI at which DA was merged in the present settlement
3. Difference between two CPI / slabs
4. Rate at which DA being paid per slab
5. 10 per cent notional increase.

Analysis as how pension Updation demand has been achieved in RBI

(1) RBI Central Board sanctioned updation in 2004 for pensioners under Group A to C.

(2) Despite Government of India objection against sanction of the updation for pensioners under group A to C, payments continued through court intervention.

(3) Simultaneously, Retiree organisation in RBI with the support of employee/ officer unionsraised demand of pension updation to all pensioners along with each wage settlement from time to time.

(4) Employee/ officer unions extended full support to the demand and gave call of strike and mass casual leave from time to time to put pressure on the government/ RBI

(5) RBI management also extended support to the demand and successive governors took up the issue of pension updation with the Finance Minister/ Finance Secretary from time to time.

(6) This historical success could be achieved because of the combined efforts of retiree organisations, employee organisations and support of the management.

(7) It is the victory not only for RBI pensioners but for entire financial sector. This achievement has given new hopes and confidence to the bank retirees to achieve the demand of updation.

(8) It is the classic example of achieving success through organisational efforts. RBI retirees showed unity, patience and maturity in achieving the demand .

(9) With this achievement, updation is likely to become regular feature in RBI and banking industry,

PRESENT STATUS & GROUND REALITIES IN BANKING INDUSTRY ON THE DEMAND OF PENSION UPDATION

1. Pension updation has been core demand of bank retirees for last several years.
2. AIBRF has been vigorously pursuing the demand since 2005.
3. UFBU and its constituents include this demand in their charter of demands and support it during wage negotiation. However we feel that so far it has not been raised with all seriousness.
4. But of late we find that unions are showing increasing commitment to resolve this demand in the ongoing wage settlement. One major union has now made condition before IBA to discuss and consider updation to resume talks on wage negotiation.
5. However major hurdles in the direction of achieving updation demand are (a)100 percent DA to pre-November 2002 yet be resolved (b) Some cracks seen in UFBU functioning. (c) Effective rapport on the issue is yet to be achieved with UFBU and its constituents.(d) IBA support is most crucial. IBA has so far been reluctant to consider the demand in the name of fund constraint and requirement of additional provisions.
6. Various fringe groups/ individuals remain active in social media whose uncontrolled expression has potential to vitiate atmosphere.
7. Many court cases on updation and related issues filed by individuals / retiree organisation pending in courts and their outcome may become big threat in achieving the demand.

WHETHER RBI FORMUALA SANCTIONED BY THE GOVERNMENT IS ACCEPTABLE TO FOR BANK PENSIONERS.?

On the basis of above analysis, we find that under RBI formula sanctioned by the government has the following favourable features:

(1) It has sanctioned updation formula for all past pensioner's right from the beginning.

(2) Merger of DA in basic pension has been considered at par with wage settlements for employees

(3) Further while working out factor for updation, 10 per cent increase has been considered in each settlement.

(4) Government has agreed in principle to consider updation at the time of each settlement in future too.

(5) Government has virtually delinked cost factor/ pension fund position for updation and has agreed to consider on the basis of benefits considered for employees in wage settlement.

(6) In nutshell, RBI formula is taking care of backlog of updation and continuity for future.

We feel that in case RBI updation formula if implement for bank pensioners, it will meet expectations of bank retirees to large extent as it will give respectable increase in pension to the existing pensioners, almost 100 per cent of bank retirees will get benefited and long pending important demand will be achieved. In view of this AIBRF should accept RBI formula

as it is and work and draw strategy to achieve it. Additionally, AIBRF should also demand updation on the same lines for existing family pensioners as well as pre-1986 retirees who are getting ex-gratia.

1. Pension scheme introduced in banking industry is drawn from models of pension schemes applicable to central government employees and RBI employees. Both the schemes have specific clause of pension updation.
2. Settlement of 1993 for introducing pension scheme in banking industry had specific clause for updation of pension.
3. As per the minutes of meeting of the small committee on pension held on 26th March, 1994 it was agreed by the parties to the settlement that formula for updating pension should be on the same lines as given in RBI scheme. (Para 4.2)
4. Regulation No. 35 of Pension Regulations 1995 and subsequent notification issued in 2003.

COST FACTOR

Presently, we do not have exact data and profile of pensioners at the industry level to calculate additional financial burden on pension funds on updation exercise. However the following data are worth noting:

(a) Total Number of Pensioners	About 4.00 lakhs
(b) Combined corpus in pension funds	About 2.50 lakh crores
(c) Annual outflow on pension liability	About 9500 crores
(d) Annual additional burden on updation- 15 percent	About 1450 crores
(e) Percentage burden on corpus after updation	About 4.18 per cent
(f) Present yield on corpus	About 7.35 per cent.

Following other important facts to be noted in support of our demand of updation need to be noted

(a) Pension scheme in existence in banks is basically guaranteed benefit pension scheme and is designed and structured on the principle of social security and welfare where updation is its integral part. Fund position is secondary.

(b) Feature of periodical updation was envisaged and provided in the settlement of 1993 and this point was further agreed and affirmed by parties to the settlement in subsequent meetings.

(c) Pension fund position is quite comfortable and yield on corpus is continuously greater than ratio of payment obligations year after year.

(d) 9 years back at the time of granting second pension option to about 4 lakhs employees and retirees, pension funds could take care of the additional cost successfully. Similarly additional burden of pension under VRS in 2000/2001 was also successfully met from the corpus.

(e) Whatever additional contribution required for updation as per the actuary reports/ AS norms can be managed through amortization method as adopted in 2010 while giving pension option to 4 lakh employees and retirees.

(f) As per the affidavit filed by the government in court, it had stated that it would consider updation in financial sector if given in RBI.

Retirees Organizations' had occasions to write to IBA , urging, inter alia, updation of Pension, and enhancement of family pension of retired bank men, which remains static ever since introduction of pension scheme in

Banking Industry 27 years back, except perhaps, for employees of RBI and NABARD. Four Bipartite Settlements on wage revision including service conditions passed by, and the 5th namely, 11th Bipartite Settlement is nearing finality for which MOU has been signed between Indian Banks Association and all organizations of employees and officers except one, on 22 July 2020. Worryingly, demands of ex-employees do not figure in any of the lines therein.

Their representation on 18th November 2019 carried detailed statistics collected by them from member banks of IBA including State Bank of India and Reserve Bank of India for the years 2016-17 and 2017-18, relating to Pension Fund, such as number of pensioners including family pensioners, balance outstanding in pension corpus account, total pension disbursed, interest earned by the corpus fund, remittance to the pension fund including 10% of the Basic Pay of the remaining employees covered under pension regulation as also statutory provision by banks after actuarial calculation of the account after auditing of balance sheets, each year, as stipulated under pension regulation and the number of employees as well as officers to be retired in the next 5 years.

The speaking empirical data furnished to us by the member banks themselves and an objective analysis thereof signifies in unmistakable terms that the available pension corpus is sufficient and more for revision of pension and family pension, as evidenced from RBI and NABARD. Notably, the pension regulations implemented in commercial banks in 1993 was identical to that of RBI, introduced in 1990. True, retired employees are laymen, but nothing prevents the custodians of data from undertaking an assessment, as offered on 25.05.2015 in the Record Note.

It is history that IBA had agreed on 25.05.2015 to have an actuarial study conducted soon, so as to ascertain the status and adequacy of pension corpus for implementing the demands raised by pensioners as well as UFBU. This is put in black and white in the Record Note annexed to Tenth Bipartite Settlement. We hope and trust, you will keep up your promise without further loss of time, since most of prospective beneficiaries are in their late 70s and 80s, or more.

The 2.4lakhs crores rupees of outstanding Pension Fund Balance as on 31/03/2018 will remain idle in the event of non-revision of pension, as the industry is not having more covered employees to retire under this pension scheme. This is evident from the figures afforded to us by the banks under the specific head, ‘Future Retirement’.

In this connection I may be permitted to point out the following also.

Section 7 (a) has not been implement by the following banks among 13 public sector banks, who have provided all the details during the 2 years, 2016-17 and 2017-18. They have not remitted any amount to the pension fund especially, 10% of the Basic pay of salary in respect of employees who have opted pension. No Provision for the purpose is seen made in the Balance sheet.

Andra Bank

Bank of India

Corporation Bank

Uco Bank

Union Bank of India

Central Bank of India

The audit report in respect of U CO Bank Employees Pension Account for the years 2016-17 and 2017-18 reveals that the Employees Provident balance in respect of Pension Optees and such amount in respect of new optees during second option during 2010 are kept under Sundry Debtors Account and not even the interest transferred to Pension account, so far.

We quote from the relevant paragraph of the Audit report for the year 2017-18, as under :-

Quote

“(04) (b) In terms of the present scheme of providing Retirement benefits the “UCO Bank employees Provident Fund” was required – to transfer the accumulated balance relatable to the Bank’s contribution and interest accrued thereon (up to the date of transfer) in respect of employees option for the Pension Regulations (at the first instance on introduction of Pension

Regulation & thereafter again on being given a second opportunity to opt for the pension Regulations) – to the

UCO Bank (Employees) Pension Fund.

The amount pending transfer from UCO Bank Employees Provident Fund in favour of the UCO Bank (Employees) Pension Fund as on 31.03.2018 appears under Sundry Debtors. Pending recovery of such dues – interest @ 8.75% (For April 2017 to March 2018) has been calculated on the outstanding amount & credited as income in Revenue A/c"

Unquote.

The Relevant Para of the Audit report for the year 2016-17:

Quote "……...The amount pending transfer from UCO Bank Employees Provident Fund in favour of the UCO Bank (Employees) Pension Fund as on 31.03.2017 appears under Sundry Debtors. Pending recovery of such dues – interest @9.00% (for April 16 to Sept 16) & 8.75% (for Oct 16 to March 17) has been calculated on the outstanding account and credited as income in Revenue A/c." Unquote.

In one of their earlier letters, they have pointed out that more than 1,01,000 employees and officers from Public Sector Banks opted the Voluntary Retirement Scheme (VRS) during 2001.

One of the prime attractions to the scheme was that they would get pension from the very next month that is from 01/04/2001, without considering Superannuation age of 60. Liability of pension to such retirees up to the superannuation age, should have met by respective banks as part of the VRS scheme. But it was met from out of the pension fund itself.

The pension fund was drained in two ways.

Pension paid up to the age of Superannuation.

10% of Basic Pay as Per Pension Regulation 7 (a) up to the age of Superannuation of the VRS optees.

As a matter of fact, this burden should have been shouldered by the respective bank itself as this was an incentive for getting more workers to accept the offer of the Bank /Government.

That erosion of fund in this regard should have been made good to the pension fund.

Further, they most humbly submitted that pension revision is part and parcel of any wage revision. It is indispensable. Our understanding is that such a clause is not specifically entered in Central/ State Civil Pension Rules too. Moreover, there is no restrictive clause in our Pension regulation to that effect.

Nowhere is it on record that this pension regulation is for all times to come without any revision, till the end of the world.

Although there are many shortcomings noticed in handling Pension Fund by the member banks from the very inception of the pension scheme, as explained elsewhere, the present Pension Fund is very, very robust and comfortable, and as such, we, the senior citizens of our country make this fervent appeal to you to look in to the matter and arrange to revise Pension and Family pension of bank employees, along with 11th Bipartite Settlement, and oblige.

Very recently on 15.11.2020 (com. K.V. ACHARYA) Joint Convener, CBPRO , PRESIDENT AIBPARC has represented Shri Anurag Singh Thakur Hon'ble Minister of State for Finance on UPDATION OF PENSION FOR BANK PENSIONERS.as under

"Hon'ble Sir, you will appreciate that our demand for the updation of pension which has been impacting the life of every pensioner including the family pensioners has not been settled yet. Even at the cost of repetition, we wish to mention that despite several rulings by the Apex Court that the Salary Revision and Pension Revision are inseparable; Pension is not a bounty; Pension is a deferred wage etc., our Pension has not been revised despite Six Salary Revision Settlements after1987. It has created such an anomalous and unfair situation that a Top Executive Grade General Manager who retired after 1.11.1987, draws lesser pension than a senior clerk who retires currently. We had expected this also to be set right in the Salary Revision Settlement which was signed by the concerned parties on 11.11.2020 immediately after your advice to the IBA and DFS. It has left more than 4, 00,000 pensioners disappointed. In this connection we wish to once again submit the following for your kind and sympathetic consideration:

Our request for updation of pension is not a demand to grant a fresh benefit as it is already provided in the

Pension Settlement of 1993 and incorporated in Bank Pension Regulations 1995 vide Regulation 35(1) as under:

Basic Pension and Additional Pension, wherever applicable, shall be updated as per the formulae given in Appendix - I (Government Gazette Notification No.9 dated 1.3.2003)

It is inexplicable and beyond human comprehension as to why the benefit of a legal and pre-existing provision is being denied in a completely brazen and arbitrary manner. What has hurt the senior and super senior citizens of the banking industry more is that despite your unambiguous message, the procrastination continues on some pretext or the other.

We on our part as a responsible organisation have been writing to Hon'ble FM, your Good self, DFS and IBA for several years duly furnishing the detailed working reiterating that the annual increase in the pension for all the banks including SBI comes to Rs. 5,322 crores, which does not involve any additional provision at this juncture as illustrated below:

a) The amount of regular pension and family pension paid during the year 2018- 19 was Rs.17, 415.16 crores

b) The interest income and regular annual contribution to the Pension fund was Rs. 32,023.00 crores

c) Undisbursed/unutilised surplus in the Pension Fund for the year 2018-19 was Rs.14, 607.84 crores

d) Additional liability towards pension updation using RBI updation factors comes to Rs.5, 322.87 crores

(The cost of updation has been calculated for all the 4,41,000 pensioners who have retired upto 31.10.2017 and are eligible for updation of their pension as per the salary revision settled on 11.11.2020).

From the above details it is clear that even after grant of updation of pension there will remain an annual surplus of Rs. 9,284.97 crores thereby obviating the need for any additional immediate provision and thus protecting the balance sheets of the banks. If any bank has not followed the provisioning norms as per Pension Regulations or misutilised the Fund, that alone would be required to provide if their annual actuarial estimate in terms of Regulation 11 so warranted.

It is humbly submitted that the Public Sector Banks are the State within the meaning of Article 12 of the Constitution and Bank Pension Regulations are made 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 by the Boards of the Banks in consultation with RBI and with the previous sanction of the Central Government. Hence it is the statutory obligation on the part of the banks to implement these regulations including Regulation 35(1) which provides for the updation of the pension. While the guidelines from the Banking Regulators to provide for NPAs are followed without blinking, it is beyond common comprehension as to why statutory provisions are not being implemented perpetually with impunity.

Hon'ble Sir, your address and reiteration by Hon'ble FM to the 73rd AGM of IBA have truly raised the hopes and aspirations of the rank and file of our membership who contributed to the nation building during their active service and continue to chip in even after retirement whenever the occasions demanded like PMJDY campaign

We humbly request you to settle this long pending issue urgently so that this hitherto neglected section of the pensioners could get the benefit of revision of pension along with the revision of salary for the serving employees. Meanwhile, we request for grant of interim relief based on the RBI Pension Updation Formulae.

100% DA NEUTRALISATION TO PRE- NOVEMBER 2002 RETIREES:

We also request you be kind enough to resolve the issue of 100% DA neutralisation to Pre- November 2002 retirees who continue to be discriminated unfortunate lot. It may be appreciated that price rise affects all retirees in equal measure and discriminating against senior retirees who retired before 1.11.2002, is not only not legal but also against the principles of equity and fairness while being violative of Article 14 of the Constitution.

IBA FILE AFFIDAVIT BEFORE APEX COURT.NOT POSSIBLE FOR UPDATION!

BA states:

"That in view of the foregoing, it would neither be appropriate nor possible for the Banks to consider the request of the Representation/Claim requesting for Updation of Pension"

Pl. Read Affidavit of IBA filed before Apex Court in SLP(C)5561/2016.

IN THE SUPREME COURT OF INDIA CIVIL ORIGINAL JUIRSIDCTION
SPECIAL LEAVE TO APPEAL (C) NO. 556112016

IN THE MATTER OF:

M.C. Singla and Ors. ... Petitioners

Versus

Union of India & Ors. . .. Respondents

AFFIDAVIT

T. Brajeshwar Sharma, S/o Late Shri Mukti Nath Sharma, aged about 61 years Occ: Senior Advisor-HR & IR, IBA, *Rio 14,* Hassamahal, Dalamal Park, Cuffe Parade, Mumbai-400005, do hereby solemnly affirm and sincerely state as under:-

1. That the Deponent is engaged as Senior Advisor HR & IR with the Respondent No. 3 in the present petition and as such well acquainted with the facts of the case and hence I am competent to swear this affidavit.
2. That this Hon'ble Court on 20.01.2022 has been pleased to pass following order:-.

"Mr. Rajesh Kumar Gautam, learned counsel appearing for the respondent(s) including Indian Banks' Association, submits that the Committee which was supposed to consider the representation/claim of the petitioners and similarly placed persons, is required to be reconstituted, as the Chairman of the Committee is demitting office. In the circumstances, we give three months' time to the Indian Banks' Association to do the needful and submit appropriate report regarding the decision taken on the proposal.

If final decision cannot be reached, the Indian Banks' Association must submit interim report be/ ore the next date of hearing.

List these matters after three months. "

3. That the Committee formed by the Indian Banks' Association, for the purpose above, discussed all aspects and also heard the Representatives of various Workman Unions and Officers Associations and the Committee has concluded as under:-

3.1 That the Indian Banks' Association i.e. Respondent NO.3 is an association of Banks and it negotiates with the Workman Unions/Officers Associations of the Member Banks on the basis of specific mandate to negotiate in this regard received from such Member Banks.

3.2 That the Service Conditions of the Workmen Employees are governed by Desai Award and Sastry A ward passed by Industrial Tribunals as amended, thereafter, by various Bi- partite Settlements signed between the Indian Banks' Association on behalf of the Member Banks which have provided the aforesaid mandate and the various Workmen Unions from time to time under the provisions of Industrial Dispute Act 1947 and last such Bi-Partite Settlement has been signed between the Parties on 11.11 .2020 and thus the Service Condition of the Workmen Employees are based on negotiated Settlement signed between the Parties from time to time.

3.3 That the Service Condition of the Officers in the various Banks are governed by Officers Service Regulations, Conduct Regulations and Discipline and Appeal Regulations framed by the Board of Directors of the respective Nationalized Banks in exercise of their powers under Section 19 of the Banking Companies (A & T of Undertakings) Act, 1970/1980 as the case may be. Some of the old Private Sector Banks who are Members of the Indian Banks' Association have also framed identical Service Rules/Regulations in respect of their Officers. The aforementioned Regulations applicable to Officers have also been amended from time to time based on the Joint Notes signed between Indian Banks' Association on behalf of the Member Banks which have given the mandate to Indian Banks' Association and the various Officer Associations with the approval of Central Government as required under Section 19 of the Act of 1970/1980 as the case may be. The last such Joint Note has been signed between the Parties on 11.11.2020. Therefore, the Terms and Conditions of Service of the Officers are statutory in nature, wherein the amendments are made from time to time primarily based on negotiated agreement between the Parties and subsequently approved by the respective Boards of the Member Banks.

3.4 That Pension was not generally prevailing in Banks and that in the Bipartite Settlement signed with the Workmen Unions on 29.10.1993 and Joint Note signed with the Officers Associations also on 29.10.1993, it was agreed for the first time between the Parties that Pension would be introduced as Second Retirement benefit in lieu of Banks' Contribution to Provident Fund. The said Bipartite Settlement and Joint Note finally culminated in framing of the statutory Regulations by the respective Member Banks titled as Pension Regulations 1995 framed in exercise of the powers by the Board of Directors of the respective Member Banks under Section 19 of the Banking Companies (A & T of Undertakings) Act, 1970/1980 with the previous approval of Central Government. These Pensions Regulations 1995 have been notified in the Official Gazette on 29.09.1995. The Employees/Officers who opted for Pension in lieu of their Banks contribution of PF, within the specified period either refunded (if already paid) or authorized the respective PF Trusts (if in employment) to transfer their Banks contributions to PF to the respective Pension Funds. Additionally, contributions were also made to the Pension Funds by the employees and Banks based on the Actuarial Calculations. Hence, the Pension Funds of the Member Banks for the payment of pension therefrom have been created by the contribution from the Bank Employees and Officers and NOT from any Government Grant. The Banks' Employees and Officers have given up one benefit of Provident Fund contribution from the Employer to get the benefit of Pension. The short fall in the Pension Fund maintained by the Banks is funded by the respective Banks based on Actuarial Calculations from their own Revenue. No contribution is made from the Government in these Pension Funds.

3.5 That while the Basic Pension is fixed at the time of superannuation based on the Basic Pay plus other eligible pay components, the Dearness Relief thereon is also given to the Employees based on the Index as applicable to in service Bank Employees updated at Semi-Annual frequency as per the provisions in BEPR, 1995.

3.6 That, so far as the Pension which is being paid to the Central Government Employees, is not paid out of any Pension Fund created by contribution made by the Employees/Officers while in service but is treated as a Revenue Expenditure and paid out of Budget Allocation.

3.7 That there is no provision in Pension Regulations in 1995 (BEPR, 1995) for any Updation in the Pension of Bank Employees and Officers. That, therefore, it would neither be appropriate in-principle nor would be financially viable for the Banks to accept the Representation/Claim of the Employees for Updation of Pension at par with Central Government. Employees, particularly, when there is no parity between the two set of Employees i.e. the Central Government Employees and Bank Employees, inter-alia, for the reasons that the Pension in the Banks is paid out of Pension Funds created out of the Banks contribution to the PF, whereas, in respect of Central Government Employees the Pension is paid NOT out of Pension Fund but is treated as Revenue Expenditure and paid out of Budgetary Allocation.

3.8 That in view of the foregoing, it would neither be appropriate nor possible for the Banks to consider the request of the Representation/Claim requesting for Updation of Pension.

4.1 It is further most respectfully submitted that Indian Banks' Association i.e. Respondent NO.3 in the present Petition, as mentioned hereinabove, is art association of Banks and is neither the State nor the instrumentality of State and therefore, Petition under Article 226 of the Constitution of India is not maintainable against the Indian Banks' Association.

VERIFICATION:

I say that the contents of the above affidavit are true and correct as per my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Mumbai on this 24th day of August, 2022.

Chapter 20

MY CONCLUDING OBSERVATIONS OF UPDATION DISCUSSION

Dear Nationalized Bank Retiree Comrades,

Everybody knows Equality is among the main Fundamental Rights. All the retirees organizations have been taking up this issue strongly from time to time to create awareness among the pensioners and exert pressure on unions, IBA, GoI and Courts for granting the senior bankers the right to equality. It appears the politicians and CMDs / EDs (who are part of IBA) of the Banks have no concern for senior citizens and try to squeeze them by denying them their right to have a decent pension. On the other hand, Central Government, where we have top bureaucrats are able to manipulate rules so that they get decent pensions and time to time revisions also. There has been no updation in pension for PSB employees since 1996, we have been putting up these demands for a pension update as a part of their bipartite wage negotiations with the Indian Banks' Association (IBA), but it has always been rejected. The IBA, which is an association of Indian banks and financial institutions, has assessed the pension updation cost in PSBs at Rs 95,000 crore. It has said that the banks, which have been reeling under rising bad loans/Non-Performing Assets (NPAs), would not be able to take this load on them.

The basic fact is that pension scheme in PSBs is exactly the same as the RBI pension scheme, with similar rules and regulations. The government had refused to give in to the RBI employees' demand and had said that it would have a contingent effect, which would lead to similar demands from other public sector banks. According to the report, the financial burden of updating pension in the RBI is Rs 858 crore while the apex bank's pension corpus is around Rs 12,000 crore. Furthermore, the RBI pensioners are now entitled to receive a notional rise of 10% in their salaries plus dearness allowance with each of the three wage revisions in 2002, 2007 and 2012.

This would thus result in a total increase in basic pension by a factor of 3.63 for pensioners who retired before November 2002. Whereas the pension corpus of public sector banks stood at around Rs 17, 1418 crore, which is 14.28 times of the RBI's pension corpus. This issue has been exploited by IBA and GoI for long and unions have utterly failed to convince any one of them that all bank pensioners needs to be covered by 100% DA Neutralization

It is amusing to note that IBA often cites monetary burden and cost implications in Negotiations whereas the fact is that the present plight of the Banks is mainly due to big Corporate NPAs and certainly not due to lack of efficiency of the work-force of the Banks. In fact, every Bank is making huge Operating Profits which is the real yard stick of the efficacy and efficiency of Bank Employees and Officers.

As far as Bank Pensioners and Retirees issues are concerned all the Banks have sufficient funds in their Pension Fund and invariably the Auditors and Actuaries have also in the Balance Sheets of the Banks year after year certified that enough provisions have been made to the Pension Fund as per the provisions of Bank Employees Pension Regulations to enable the Banks to meet their Pension obligations. Some of the Banks have even transferred the amounts from Pension Fund to their Profit and Loss Account on the ground of having made excess provision to Pension Fund.

Even in the recently concluded 11 bipartite we find this unhealthy bar the gain trend, against the ethos of true biapartism.w.r.t to our updation pension demand While the unions have reduced their demand from expected 25%,to15% the stalemate continues regarding our justifiable demand of pension updation .the silver ling of the settlement with which , for Bank Pensioners and Retirees is the information given to negotiating unions team by the Chairman of IBA that Improvement in Family Pension at 30 % without any capping on the lines of Government India Employees Family Pension is agreed to. This is one very important issue raised by Retirees Organisations which was eluding resolution in spite of repeated assurances. This was also mentioned in the Record note during the last settlement explaining the same as an emotional issue concerning vast number (around 72000) of Women Spouses of Deceased Pensioners. We profusely thank unions Leadership and IBA and the Ministry of Finance for acceding to our request.

But stalemate other Major issues like Updation of Pension, Medical Insurance Scheme, 100% DA NEUTRALIZATION to Pre November 2002, Retirees, Special Allowance component and Grievances continues.

The history of collective bargaining also highlights that the management as well as the unions have always operated with a win lose strategy and both the parties have attempted to BAR the GAIN (rather than bargain) of each other.

I am not merely pro or anti-establishment. On the contrary I know that I am a vital section of this establishment ourselves and unlike most other sections of the establishment I want to develop and drive a self-critical and critical viewpoint with view of generating thinking , enquiring minds, enhance awareness and learning. In this process we learn, unlearn and relearn. It is with this sole Appreciating the Determination with which retires organisations at apex levels e have been following up the issues despite earlier setbacks with view of finding resolving our issues, I am giving below the practical suggestion for the discussion amongst the bank pensioners and pensioner organisations.

Love
S.Srinivasan
AUTHOR
Former General Secretary of The Recognised Union in IOB for aroudn25 Years.

OUR QUESTION: BUT HAS OUR RIGHT FLOWN FROM OUR SACRED DUTIES WHILE IN SERVICE AND AFTER RETIREMENT WELL DISCHARGED?

This issue has been exploited by IBA and GoI for long and unions have utterly failed to convince any one of them that all bank pensioners needs to be covered by 100% DA Neutralization. Everybody knows Equality is among the main Fundamental Rights. We have been taking up this issue strongly from time to time to create awareness among the pensioners and exert pressure on unions, IBA, GoI and Courts for granting the senior bankers the right to equality. It appears the politicians and CMDs / EDs (who are part of IBA) of the Banks have no concern for senior citizens and try to squeeze them by denying them their right to have a decent pension. On the other hand, Central Government, where we have top bureaucrats are able to manipulate rules so that they get decent pensions and time to time revisions also. There has been no updation in pension for PSB employees since 1996, we have been putting up these demands for a pension update as a part of their bipartite wage negotiations with the Indian Banks' Association (IBA), but it has always been rejected. The IBA, which is an association of Indian banks and financial institutions, has assessed the pension updation cost in PSBs at Rs 95,000 crore. It has said that the banks, which have been reeling under rising bad loans/Non-Performing Assets (NPAs), would not be able to take this load on them.

The basic fact is that pension scheme in PSBs is exactly the same as the RBI pension scheme, with similar rules and regulations. The government had refused to give in to the RBI employees' demand and had said that it would have a contingent effect, which would lead to similar demands from other public sector banks. According to the report, the financial burden of updating pension in the RBI is Rs 858 crore while the apex bank's pension corpus is around Rs 12,000 crore. Furthermore, the RBI pensioners are now entitled to receive a notional rise of 10% in their salaries plus dearness allowance with each of the three wage revisions in 2002, 2007 and 2012.

This would thus result in a total increase in basic pension by a factor of 3.63 for pensioners who retired before November 2002. Whereas the pension corpus of public sector banks stood at around Rs 17, 1418 crore, which is 14.28 times of the RBI's pension corpus

I HAVE CULLED UNDER THE FOLLOWING SUBHEADING TO SHOW APATHY FROM ALL EXPECTED QUARTERS OF JUSTICE TO OUR JUST DEMAND. PLEASE READ EACH EVERY SUBHEADING AND ESPECIALLY THE LINKS AND ARRIVE AT YOUR OWN JUDGMENT TO THE QUESTIONS RAISED BY US AS NATURAL COROLLARY?

DURING UPA 1) GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-34
ANSWERED ON-22.02.2011
AUTOMATIC UPDATION OF PENSION BY BANKS

34. SHRI PRAKASH JAVADEKAR presently union minister of environment, forest and climate change, union minister of information & broadcasting and heavy industries & public enterprises.

(a) Whether Government has taken any steps against the demand raised by PSU banks' retired employees for the automatic updation of pension:

(b) If so, the details thereof; and

(c) If not, the reasons therefor?

ANSWER

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c): As a part of the Memorandum of Settlement with the Unions and Associations of Public Sector Banks (PSBs) and the Associate banks of State Bank of India (SBI) [other than SBI, as they are governed under different pension scheme] pension was introduced in lieu of contribution of the banks in the Provident Fund of the employees. This caused heavy financial burden on PSBs. On the grant of another option of pension to the serving as well as retirees from 1995 onwards, the load on the banks on account of pension has further increased. In view of the above, at present there is no proposal for automatic updation of pension.

2) 02/09/2011 View of GoI / Finance Minister in September, even in 2011:

A few weeks back, one of our readers, Mr. Gajanan Chaudhari sent us an email, giving us the reply of the Finance Ministry on the issue of 100% DA neutralisation for bankers. We quote below the same to give our readers some idea as to the attitude of Finance Ministry in this regard till that date:-

Q.NO.	Type	Date	Ministry	Member	Subject
4871	UNSTARRED	02.09.2011	FINANCE	KAPIL MUNI KARWARIYA	DEARNESS ALLOWANCE TO RETIRED PENSIONERS OF BANKS

The Question and Answer given by Finance Ministry on 02/09/2011 was:

(a) Whether the Government proposes to provide neutralization of Dearness Allowance hundred per cent to the pensioners of the Public Sector Banks retired prior to November, 2002;

(b) if so, the details thereof along with the time by which such neutralization of D.A. is likely to be provided such retired employees of the said banks; and

(c) if not, the reasons therefor?

ANSWER

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) There is no proposal for neutralization of Dearness Relief to 100% to the pensioners of Public Sector Banks retired prior to November, 2002.

(b) Do not arise.

(c) Pension to Bank employees are paid in terms of the Provision of Bank Employees Pension Regulations framed/amended based on settlement / joint note, which do not provide 100% neutralization of Dearness relief to those retired prior to November, 2002.

3) 6.8.2013

In fact it was replied by the then Minister of State in the Ministry of Finance Shri. Namo Narain Meena to an unstarred question No.196 on 6.8.2013 in Rajya Sabha that IBA negotiates salary and service conditions of employees. As part of negotiations, the terms of payment of pension are also discussed along with the salary revision. tradition,

DURING NDA

4) I.B.A. is Proving Mischievous – Nyayshakti

On 08.08.2017 your predecessor Shri. S K Gangwar, in reply to unstarred question No.2444 of Prof. Rajeev Gowda in Rajya the Sabha stated that there is no proposal to improve the pension of retired bankers as it will directly affect the profits of banks.

The wrong reply was the result of distorted and mischievous information Indian Banks' Association furnished to the Ministry. Pension in banks being paid out of Pension Funds created out of the contributions that were previously payable as contribution to CPF pursuant to EPF Act does not impact the profits of banks and the government also has no expenditure on it.

Improvement in pension is a statutory benefit already sanctioned to retired bankers vide regulations 31.1 and 56 of the Bank (Employees') Pension Regulations, 1995 and it is in no way a new benefit sought.

Regulation 35.1 of Pension Regulations in banks previously stated that "in respect of employees who retired between the 1st day of January, 1986but before the 31st day of October, 1987, basic pension and additional pension, will be updated as per formulae given in Appendix –I" was later amended in 2003 as "Basic Pension and additional pension wherever applicable, shall be updated as per the formulae given in Appendix-I"

The updation which originally confined to retired in a time zone was thus extended to employees retiring on any date through the amendment and expressed as mandatory by substituting the words shall be in place of "will be" making the updation mandatory.

The above apart, regulation 56 unambiguously states that the pension scheme in banks is exactly on all fours with the liberalized Central Civil Pension Scheme by stating that "in case of doubt in the application of these regulations, regard may be had to the corresponding provisions of Central Civil Service s 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".

Central Government having so far permitted no deviations from regulation 56, it is mandatory that pension in banks be improved with each Bipartite Settlement just in the same was the Central Civil Pension gets revised with the implementation of each Pay Commission.

Ministry of Finance had, after taking the opinion of Law Ministry in the case of RBI Pension Regulations issued a speaking order containing the following vide F No.16/1/58/2008-IR dated 23.10.2009:

As the pension regulations are framed in exercise of statutory powers under the RBI Act, these are statutory regulations.

Any deviation/amendment of the provisions of these pension regulations without formally amending it after following the procedure prescribed by the RBI Act will not be permissible under the law. No deviation / amendment of pension regulations can be made by administrative orders / instructions."

Any administrative order or instruction which circumvent the provisions of the Regulations is unsustainable. Further, the Regulations have the precedence over the Administrative Orders / Instructions."

OUR QUESTION: WHY REMAINS UNANSWERED?

5) VERY IMPORTANT SEE THIS VIDEO 14/12/19 Video from Parliament DRAW YOUR CONCLUSIONS how this important question has been brushed off?

https://www.youtube.com/watch?v=NxDoGeJpFHY&feature=youtu.be

OUR QUESTION: IS NOT THIS M.P JUSTIFIED WHY EVADE REPLY?

6) NOW READ FAVOURTISM TO RBI BY THE SAME GOVT MAKING A CASE INTHEIR FAVOUR

Read [ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE TWENTIETH REPORT OF THE COMMITTEE ON SUBORDINATE LEGISLATION (SIXTEENTH LOK SABHA) ON THE RBI PENSION REGULATIONS, 1990] (PRESENTED TO LOK SABHA ON 3.1.2019)

http://164.100.47.193/lsscommittee/Subordinate%20Legislation/16_Subordinate_Legislation_42.pdf

B) Pension updation for RBI retirees – a test for RBI autonomy-S.S. Tarapore

https://airbiopf.wordpress.com/2015/09/10/pension-updation-for-rbi-retirees-a-test-for-rbi-autonomy-s-s-tarapore/

OUR QUESTION: HAVE YOU HEARD ANY SUCH RECOMMENDATIONS IN OUR DEMAND? WHY? WHY DISCRIMINATION?

7) READ RAJYA SABHA

How favorable case has been made for SBI updation? Why not for us?
Committee on petitions
Hundred and twenty second report
On the petitions regarding non-
Implementation of the amended pension
Payment provisions by the State Bank of India
(Presented on the 22nd march, 2005)
Rajya sabha secretariat
New Delhi
March, 2005
http://164.100.47.5/rs/book2/reports/petition/122ndreport.htm

OUR QUESTION: HOW FAVORABLE CASE HAS BEEN MADE FOR SBI UPDATION? WHY NOT FOR US?

8) January 09, 2018

Finance Ministry panel to resolve bank pensioners' issues

https://www.thehindubusinessline.com/money-and-banking/finance-ministry-panel-to-resolve-bank-pensioners-issues/article9806508.ece

OUR QUESTION: WHAT HAS HAPPENED TO IT ?

9) OUR RELENTLESS EFFORTS& STRUGGLES CONTINUE

Bank retirees demand basic pension update - The Hind

https://www.thehindu.com/news/cities/kozhikode/bank-retirees-demand-basic-pension-update/article30506139.ece

OUR QUESTION: BUT LOCK DOWN ON PENISON SICNE 1995 FOR 25 YEARS COTINUES ……

10) January 30, 2020

IBA pleads inability to meet most demands of banking unions

Updation of pension

The pension scheme in public sector banks operates on the principle of funding by the bank from its profit and loss account. It is different from the pension scheme available to Central Government employees where the financial burden is borne by the budgetary allocation. In respect of pension scheme in PSBs, there is no financial burden on the Centre. At the time of retirement of an employee, the bank is expected to ensure that adequate funds are made available for payment of pension/family pension with provision of periodical updation of dearness relief payable. Thus, the financial implications and affordability of the bank is the main factor in effecting improvements in the pension benefits.

Implementation of family pension: The matter has been referred by the IBA to the Government.

OUR QUESTION: IS NOT IBA LYING?

11) Mar 07, 2018

PENSION, OTHER BENEFITS TO FORMER MPS JUSTIFIED: CENTRE

“MPs have to go for elections every five years. They have to go to their constituencies and travel. So giving pension to them is justified,” Attorney General KK Venugopal told a SC bench.

Read more at:

https://economictimes.indiatimes.com/news/politics-and-nation/pension-other-benefits-to-former-mps-justified-centre/articleshow/63205794.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

OUR QUESTION: WHAT OUR ELECTED REPRESENTATIVES HAVE DONE TO HELP OUR CAUSE? WHY SUPREME COURT IS NO CONSIDERING OUR DEMAND IMPLEMENTING ITS OWN JUDGMENT ON WHY PENSION IS NOT A BOUNTY IPSOFCTO?

12) Movement of pension liability on PSU Banks

With contribution to the pension fund and benefits arising due to rising interest rates, there has been a steady decline in the gap between pension assets and liabilities In the financial year 2017, the gap between retirement assets and liabilities were at the lowest point in the past decade for public banks Decrease in retirement costs to overall staff costs

The retirement costs to total staff costs which had increased to 28 per cent in fiscal 2016 moved back to 20 per cent levels. Operating expenses remain at elevated levels with retirement costs contributing 20 per cent of the overall staff costs for the bank.

The pension benefits charged to P&L to total staff costs declined in financial year 2017 primarily on account of Bank of Baroda (BoB). During 2016, BoB had changed its mortality tables resulting in higher expense in the P&L, which made the contribution to the fund in 2017 resulting in the sharp variation between contribution and charge.

Active employees under defined contribution may have crossed 50 per cent

Every company measures the retirement benefits that are provided to their employees. The post-employment benefits offered are in form of two plans: defined contribution and defined benefit plan Employee mix

The employee mix is changing positively leading to a decline in age and maturing retirement plans, which is positive for public banks. Given the extent of disclosures and changes in many variables on defined benefit obligation, it is very hard to get accurate data from what is already available.

However, looking at the various disclosures, such as share of benefits paid in the overall fund; 60 per cent share of interest costs to current service costs, and the move to switch to defined contribution from defined benefits for new employees indicates strong signs of this showing a possible mature plan.

https://www.outlookindia.com/outlookmoney/investment/movement-of-pension-liability-on-psu-banks-2006

OUR QUESTIONS: ON THEIR OWN TERMS IS NOT OUR DEMAND IS FEASIBLE

Revision of pension of retired bank employees – Rajya Sabha QA

GOVERNMENT OF INDIA MINISTRY OF FINANCE DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA STARRED QUESTION No. *12

TO BE ANSWERED ON 2nd FEBRUARY, 2021(TUESDAY)/ MAGHA 13, 1942 (Saka)

Revision of pension of retired bank employees

Question

*12. SHRI M. V. SHREYAMS KUMAR:

Will the Minister of FINANCE be pleased to state:

Aug 26, 2021

(a) whether it is a fact that pension of retired bank employees has not been revised for the past three decades and the Indian Bank Association at its 72nd Annual General Meeting (AGM) has advised the Bank authorities to update the pension~

(b) if so, the response of the Ministry thereon when Regulation 35 (1) of Bank (Employees') Pension Regulations, 1995 emphasise the updating of Basic Pension and Additional Pension, wherever applicable~ and

(c) the details thereof along with reaction of Government in this regard?

ANSWER

The Finance Minister

(Smt Nirmala Sitharaman)

(a) to (c) : A statement is laid on the table of the house.

Statement referred to in reply to parts (a) to (c) of the Rajya Sabha starred question no. 12 for answer on 2nd February, 2021, regarding revision of pension of retired bank employees, tabled by Shri M. V. Shreyams Kumar, Member of Parliament

Pension of pensioners of nationalised banks is financed by the respective bank out of its commercially generated revenues. Such pension was introduced as a funded scheme on the basis of consensus arrived at between bank employee unions/associations and the Indian Banks' Association (IBA), which negotiated on behalf of participating banks. The Boards of the respective nationalised bank accordingly made Employees' Pension Regulations in exercise of their powers under section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980. While the said regulations do not provide for revision of the pension fixed thereunder consequent upon the retirement of an employee, regulation 37 thereof provides for six-monthly revision in dearness relief on the basis of rise in All India Consumer Price Index for Industrial Workers.

Insofar as regulation 35(1)is concerned, the same applies only to employees who retired between 1.1.1986 and 31.10.1987 and the updating referred to therein (in terms of certain formulae) only have effect on the initial fixation of their pension and does not entail any revision of pension so fixed. With regard to whether IBA at its 72nd AGM has advised bank authorities to update pension, it is stated that as per IBA no such advice has been given and, further, that IBA has recently (on 25.1.2021) recommended that family pension, which is currently payable at the slab rates of 15%, 20% and 30% for different categories of pensioners with a cap of Rs. 9,284 per month, be improved to 30% for all employees without any cap, and the said recommendation is under consideration of the Government.

Chapter 21

TIME TO FORCE SBI RULES FOR DELAYED PAYMENT PENSION , GRATUITY AND PF IN OTHER PSBS

IN SBI

OVERDUE INTEREST ON DELAYED PAYMENT OF PENSION

• Overdue interest or payment of interest on delayed settlement of superannuationbenefits is payable only when delay is on the part of the Bank. However, where the delay is attributed to administrative reasons, the request for overdue interest should be considered and recommended on merits of each case. The Circle may submit their recommendations for payment of interest with full details of the case and along with their specific comments on staff lapses (if any) to the Dy General Manager, PPG department at Corporate Centre who shall obtain sanction from the appropriate Authority. The period of delay will be from the date it is due or the date of order by the appropriate authority to the preceding date of actual payment of pension to the pensioner. The rate of interest will be same as applicable to the Provident Fund for respective periods vide Corporate Centre Circular NoPA/CIR/83 dated 16th May 1986.

OVERDUE INTEREST ON DELAYED PAYMENT OF PROVIDENT FUND

• Overdue interest on delayed payment of P.F. is calculated at the interest on SB Account if the reason is attributable to the employee and fund was laying with the Bank. However, if the delay is attributed to the Bank then the overdue interest is payable to the retiree at the existing P.F. interest rate.

OVERDUE INTEREST ON DELAYED PAYMENT OF GRATUITY

• Payment of Gratuity is to be settled within 30 days from the date of retirement. However, if it is delayed for more than 30 days overdue interest is payable from the date of retirement at the rate 10%.

Chapter 22

A WORLD WITHOUT RETIREMENT- GOOD READ

https://www.theguardian.com/membership/2017/mar/29/a-world-without-retirement

Chapter 23

A READING OF RELEVANCE ON INHERITANCE

Chapter 1. Useful Tips to make the succession plan Simple

1. Preserve the following documents carefully:

Details of Bank Lockers, Key Numbers and upkeep of Keys. Details of Bank Accounts and other investments.

Proper upkeep of Cheque Books, share certificates, De mat accounts, Life Insurance Policies, Health Policies along with ID Cards, Pension Papers, Recoverable and Payable money from/to friends and relatives, Title deeds of Property, General Power of Attorney if given to anyone, Original Will (Execute if not already done) etc.

2. Password-Safe Upkeep

Proper and safe upkeep of Password of email ID, ATM and Credit Cards, Bank accounts, online profiles, net banking, life insurance, vehicle insurance, Demat trading accounts, Income Tax e-filing etc. Phone number and contact persons name of the bank insurance co. Investment consultant etc. It can be in hard copy or can be digitally stored with a safe access known to next of kin.

3. Ensure Nomination

Ensure nomination in all investment accounts, lockers, Insurance Policies and Digital Assets. As far as possible all the investments be in joint names of self and spouse with nomination registered in every account. Ensure documentary evidence for registered nomination. One can cancel and re-register the nomination during the currency of investment.

4. Nomination for Social Media accounts

In the digital era the new concept of keeping the online Social Profiles, email ID's, Facebook data secure and nomination is gathering momentum and even Google has introduced the Inactive accounts manager so as to enable nominated persons to access your Digital Assets, Email ID's and Social Profiles.

5. Execute Will wherever needed

Nomination does not legal right to the nominee and legal heirs can claim money from the nominee. To ensure that your wishes are fulfilled after your death – one must execute registered/unregistered will.

6. Prepare a Family must Know – Register

It is better to maintain a register either as a soft copy or hard copy containing the following important particulars. This is only illustrative and one can improve add or modify depending upon the need and convenience.

a. Contact Number of Close relatives/Friends
b. Contact Number of Doctors/ Hospitals, Laboratories
c. Contact number of Investment, Tax consultants.
d. Details of Investments
e. Details of assets including Movable/immovable properties
f. Details of Life Insurance Policies
g. Details of Health Insurance and General Insurance policies
h. Details of Locker
i. Details like Aadhaar Card, PAN card, Voter id, Driving License and Passport etc.
j. House Tax, Electric Bill, Telephone Bill and Water Tax
k. Liabilities if any and amount if any due to be paid or received with details

7. Train the Next of Kin /Spouse and prepare a guidance Note

You may also train or counsel your legal heirs to the procedures for making the claim for bank accounts, how to claim family pension etc. In case of emergency hospitalization what should be done for availing cash less facility etc.

The facilities, benefits available in case of unfortunate death like claim of funeral expenses, benefit of family pension, health insurance coverage should be documented and informed.

If possible, prepare a Note, a guidance as how the assets you left behind to be handled by your next of Kin or legal heirs. You can share your thoughts and inputs as how best they can be handled /shared/used. Also You can mention the name / contact number of your friend/ well-wisher/auditor/Legal counsel or a Reliable person from whom the next of kin or heirs can seek opinion on guidance in case of need.

I. A guide to handle Medical Emergency Situations:

Let us all hope and pray that none should be in any medical emergency situations. But when independent Living by Senior Citizens becomes order of the day, due to situations that their next of kin have to live separately.

In such cases no one should be caught unaware as what to do., when medical emergency situation happens.

Recently I came across one case, when on emergency call a team of volunteers went to the flat of a Senior Citizen, where the male Senior Citizen is in unconscious state and his wife in shock unable to answer the health history and medical condition of her husband or the contact number of their family doctor.

The reason being everything was handled by her husband and she has totally depended on him for her own medication. Their son who is abroad is also not aware of such details

In such cases it would be difficult for the friends/volunteers for adopting the best course of action and to the doctors for starting immediate treatment.

To avoid such situations, more so when the threat of pandemic and isolation is looming large all over the world, one should prepare and do certain basic things to meet any unexpected eventuality.

1. Keep the important Contact numbers of Close relatives/Friends who may help in cases of medical emergency easily visible and accessible.
2. Contact number of Family Doctor, Hospitals where treatment is being taken
3. It is important for the Senior Citizens to prepare a brief important medical information for self and spouse separately. It is better to keep that in hard copy as well in soft copy. A copy of model format designed by me is uploaded. In the annexure. The same can be improved /modified. Details may be filled in and should be kept in a prominent place known to spouse with easy access.
4. Prepare two files one each for self and another for spouse and keep all the latest Medical documents like Lab Reports, Doctor's prescription etc. in a ready to take condition.
5. Keep Health Insurance Cards, id cards, policy copy, TPA contact details in a pouch that can be easily accessible and can be taken during emergency.
6. Keep Two separate Boxes for Self and spouse that contains regular medicines. Ensure replenishment well in advance. Apart from that, it is better to keep two separate boxes for keeping non regular and SOS medicines/ointments.
7. Have some emergency cash exclusively for medical contingency, if that is possible. Also, one should train the spouse, if not done already or if they are not accustomed to, for cash withdrawal from ATM and use of Debit Cards, UPI, Digital wallets etc.
8. Ensure that emergency contact numbers are saved in self and spouse mobiles. Spouse should be informed that in case of medical emergency whom to be contacted (Relative, Friend/Hospital/ Association Volunteer Group)
9. In latest android phones there is a facility to save important medical information that can be viewed without applying screen lock.

In New model phones it can be done as follows. Click Phone>Contacts>Groups>Create Emergency Contact List. Here one can save blood group, health condition, allergy etc. along with important Family members, friends contact number.

In old Phones-Settings>Security & Location>Screen Lock>Settings> Lock Screen message.

In case if there is no provision of screen lock or when a screen lock is not preferred, one can save the emergency Contact Numbers in Phone

Directory> Create Contact and under ICE (In Case of Emergency) this can be done.

Let us all pray for the good health of every one and at the same time educate and equip one, as how to handle real life situations effectively.

II. Seven Golden Rules to manage life effectively and to make it Simple

1. Make your life and plan simple. Have a plan B or contingency plan to meet the unexpected eventuality. The dictum is plan for the best and prepare for the worst
2. Evolve a system of routine and follow. Keep the habit of placing things regularly used, not often used, rarely used (but important) in fixed places so that it would be easy to find and use.
3. Keep a health diary duly mentioning the Medicines you are taking regularly for you and your spouse, including blood group, past history and allergies with list of contact numbers of family doctor, clinic's contact person and number. Also keep the Health insurance card and the kit of forms and contact number in a pouch, readily reachable during emergency. It is better to carry this pouch on a long sojourn or travel.
4. Keep the tablets, medicines that are being taken regularly in a box. Similarly keep another box for the spouse also. Also form the habit of getting the required medicines well in advance attest before a fortnight or 10 days without waiting for the last date of consumption.
5. Whenever on travel (on tour or going out for marriage) keep important medicines, id documents (not all one or two), diary containing the contact numbers in a bag where it can be easily taken. Also form the habit of not keeping the entire cash and all the cards in the same purse or place. Keep them in a bag secured and placed where it will not be disturbed while searching for other things like towel or clothes. Also, when you travel with spouse, a certain amount of cash can be kept in their hand bag. Keep required cash with adequate changes sufficient for travel along with a debit or credit card in a purse securely placed in the pant. Also, it will be better to travel with a small hand bag containing our mobile phones, small cash with changes adequate to meet the expenses like food, taxi or auto or purchases like magazine etc. However, it is left to the individuals to form their own ways according to their habit and convenience. But it is important to have a system.
6. Educate your spouse, if not already done on ATM Usage, internet banking, on line booking of cabs etc.
7. As people tend to forget as age advances it is always better to have systematic life, organizing things with a list of dos to be done with a calendar of events and things to follow in a diary or notepad. Smart phones are handy and would help us in organizing things in a better way if one knows how to use the utilities.

III. Tips for Senior Citizens, to make life comfortable and easy for others

Enjoy life as it comes. Never Complaint, Criticize. The tendency to be critical, impatient, finding fault develop as age advances. Develop a conscious mind to overcome it and avoid them. Accept things as they are and never compare your way of doing things with what others do. Deficiency in Service lies everywhere and you are not the only one get affected. Instead of reacting, which may only affect our health, respond to the situation by following the remedies given in the system to set it right. Complaining and grousing against the system only spoils our peace of mind and health.

1. For daily routine, evolve a System and follow. Have a simple plan. Keep a note of things to be done, as age advances, we tend to forget.

2. Do not try to change Others or System unnecessarily. Accept it and move on. If people, who are close, fail to pick up good things, your experience or seek good advice from you, the loss is not yours.
3. Do not over react to political, religious, language and cultural views of friends and relatives. It is difficult to make others accept your views. Result in most cases would be, loss of goodwill and friendship with no fruitful result.
4. Appreciate and recognize others help or good intention to help, however small it may be. Be helpful to others and be kind to those who help us. When people around you are busy preparing them for their fast life, help them in a small way or don't obstruct them using their space or time. As age advances your hand grip tend to fail at times. Avoid holding glasses, hot vessels, heavy items etc. during rush hours or always.
5. Invest in your health and take care of your spouse health too. Follow good healthy habits in eating and exercising. Prepare and train your spouse to be independent, when need arises. Ensure that the regular medicines that you and your spouse are replenished at least 10/7 days in advance, to avoid last minute troubles.
6. Laugh and smile bring positive energy. Have fun with children as one can derive energy by simply watching them play. Spend time with friend, likeminded people and youngsters without creating nuisance or disturbing them.
7. Don't act in haste, especially while doing Online Transaction like Net Banking, Mobile Banking or Booking a cab. We tend to accept or press a wrong command without reading full or knowing the implication. As online frauds are on the increase, do not click unknown link, share your credentials are lured by fake offers and prizes.
8. Beware of fraudsters and keep a safe distance from unknown people. In the guise of asking address any one can cause injury or attack. While drawing money from ATM or Bank, have risk awareness and be wary of possible threats and avoid going alone late night in risk prone places.
9. A major threat to Senior Citizens is falling down resulting in serious injury and prolonged illness. Be careful while walking in wet or shiny surface, bathrooms and in attending midnight calls. (While wake up, make a practice to sit on the bed few minutes, before rising). Also avoid padlocking bathroom doors, if it cannot be opened from outside easily. Especially in Train journeys it is important and if required you can ask your companion to stand aside the door to prevent people from entering)
10. While going outside it is preferable to carry a small shoulder bag, containing your mobile, purse, your id card and contact number card. It essential to prepare your own contact card (preferably laminated, at least two- one for you and other for your spouse) containing important numbers to be contacted in emergency. It can contain additional information about your blood group and spouse. Visiting cards of persons known to you closely, can also be carried. When Senior Citizens live alone, it is better to display prominently in a visible place, important contact numbers in bold letter. This may be helpful in case of emergency.
11. Remove all old unnecessary records, matured/lapsed policies, Certificates etc. and if necessary, keep them in a separate file, mentioning as old records. This may help your next of kin to handle things smoothly after your period.
12. Finally, when the time to say good bye do it with grace and bit adieu, leaving pleasant memories for others to think about!

IV. Maintenance and Welfare of Parents and Senior Citizens Act, 2007

This Act provides a legal framework to protect the rights and interest of parents and senior citizens. It recognizes the right to 'live with dignity' for elders and provides legal recourse for parents to claim maintenance from their children for shelter, food and medical treatment expenses. Another aspect of the Act is that it empowers the parents to reclaim any property back from their children if they fail to fulfil their commitment of looking after their parents. In the unfortunate case of children not sharing the responsibility of taking care of their aged parents, they can be forced legally to provide them a steady amount every month to enable them to meet their basic needs at least.

V. Important points that a Pensioner's Family needs to know

RBI guidelines on Withdrawal of pension by old/ sick/ disabled/ incapacitated pensioners

(i) In order to take care of problems/ difficulties faced by sick and disabled pensioners in withdrawal of pension / family pension from the banks, agency banks may categorize such pensioners as under:

(a) Pensioner who is too ill to sign a cheque / unable to be physically present in the bank.

(b) Pensioner who is not only unable to be physically present in the bank but also not even able to put his/her thumb impression on the cheque/ withdrawal form due to certain physical defect / incapacity.

(ii) With a view to enabling such old/sick/incapacitated pensioners to operate their accounts, banks may follow the procedure as under:

(a) Wherever thumb or toe impression of the old/sick pensioner is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official.

(b) Where the pensioner cannot even put his/her thumb/ toe impression and also would not be able to be physically present in the bank, a mark can be obtained on the cheque/withdrawal form, which should be identified by two independent witnesses, one of whom should be a responsible bank official.

Agency banks have been asked to display the instructions issued in this regard on their notice board at the branches so that sick and disabled pensioners can make full use of these facilities.

Chapter 2. Entitlements to the Spouse and Family after the Life time of Pensioner/Individual.

I. Following are the entitlements for the Spouse /Legal heirs after the Life time of the pensioner

1. In case of Pensioner retired on Superannuation or under VRS, the family of the deceased is entitled for funeral expenses depending upon the organization. Most of the PSBs do sanction certain amount from the staff welfare fund on the death of their ex-employee. In IOB, it is RS 7500/-for retired employees including Superannuation, VRS, CRS Resigned etc.
2. Pensioner is eligible to draw pension till the date of his/her death. Unreleased pension till the date of death is called life time arrears of pension.
3. Family Pension as per eligibility and sanctioned terms is eligible to the Spouse from the date following the death of the pensioner till death or remarriage.
4. Those who retired from State, Central Government, Railways, PSBs, GIC are eligible to avail certain concessions meant for retired employees, including provision of Health Insurance Cover at subsidized/ Group Insurance rates. Most of the organization extend the benefits to the spouse of the retiree.
5. Spouse of the deceased retired Bank employee/Spouse of the deceased Bank Staff is eligible for following concessions
   a. Staff and Retired Staff of Banks are eligible for additional interest rate meant for Staff category in SB and Term Deposits. For retired Staff this is in addition to eligible Senior Citizen additional rates in Term Deposits. Spouse of the deceased retired Bank Staff is also eligible for the benefit of additional rate meant for Staff. To avail this, benefit the Roll number of EX Staff has to be used.
   b. Bank Staff are eligible for Concessional rate of Interest and margin for loan against deposits standing in the name of staff. The same facility is available to Retired Staff, spouse of the deceased staff and spouse of the deceased retired staff.
   c. Pensioners' Loan and other loan meant for pensioners can be availed at concessional rate meant for retired staff by the spouse of the deceased retired staff.

d. Banks extends Concession in Service Charges for certain category of Services for Staff. The same can be availed by the Retired Staff and Spouse of the deceased retired Staff.

e. Locker Rent concession as applicable to Serving staff can be availed by Retired staff and Spouse of the Deceased retired staff.

f. A "retired Member of the bank's staff" means an employee retiring whether on superannuation or otherwise, but does not include an employee resigned or removed from service.

g. All the above concessions are applicable to the Spouse of the deceased Staff and Spouse of the deceased retired staff.

h. In case of Retired Staff who have opted for Group Health insurance Scheme, on their death their spouses can continue the scheme if they wish to.

i. In case of resigned Bank employees who have opted for Group Health Insurance Cover meant for Retired Bank employees, their spouses can continue the Group health insurance Scheme in case of unfortunate death of the resigned employee.

6. Life Insurance – Nominee can claim the policy amount on the death of the policy holder. For multiple policies multiple claims should be made. There are different Life Insurance policies like

   a. Endowment, Whole Life Policies - Policy amount with bonus can be claimed.

   b. Term Policies- Policy amount can be claimed.

   c. Certain policies cover only accidental death. If a Bank account is linked to accidental death cover the same can be claimed on accidental death of the policy holder based on the terms of the policy.

   d. Some annuity Policies have the option that the spouse /nominee can continue to receive the annuity amount till their life time or lumpsum payment. Depending upon the need and convenience such options can be exercised.

   e. Some Life insurance Policies have double cover for accidental death where the risk cover is more than the normal death.

7. In case of death while in Service there are certain benefits available like Social Security Benefit Scheme (Family Benefit Fund Scheme), Death cum Retirement Gratuity, Leave encashment, PF, Life risk cover benefits from the employer. In most of the Banks they have special compensations for death while on duty, Death due to pandemic etc.

II. In IOB the following Schemes are available covering the life of Staff. This is in addition to any special schemes that covers death due to covid 19.

   a. GROUP PERSONAL ACCIDENT INSURANCE WITH UNIVERSAL SOMPO The Group Personal Accident Insurance Policy for all our staff members M/s Universal Sompo General Insurance Company Ltd., Chennai. This policy provides insurance cover for all our employees, who are on rolls of IOB, round the clock i.e., 24 hrs irrespective of whether the member is on duty or not, due to any accident. This is in addition to Special Group Insurance Scheme with LIC/SBI Life. The cover ranges from Rs1 lakh to Rs15 lakh depending upon the staff cadre. (amount may vary depending upon the terms of renewal)

   b. Special Group Insurance Scheme with SBI Life-Covers the loss of life Natural death-Rs 1 lakh, Accidental death- Rs 2 lakh. (Amount may vary depending upon the terms of renewal/ continuity of the scheme.

   c. Benefits under Social Security Benefit Scheme – if the deceased staff was enrolled as a member in that scheme during service.

Important Note: In case of cause of death is due to pandemic illness, It is important to get the death Certificate of the deceased, duly mentioning the cause of death due to Covid or Covid related ailments as to avail Special Life risk coverage benefits due to covid 19.

III. Risk Cover and benefits available under various Insurance Schemes: Life and General Insurance (Accidental Death)

Risk cover for the same event under multiple insurance policies

A. Accidental Death Insurance Cover.

This cover is available through specific \insurance schemes of the GIC, Banks or GOI Subsidized Scheme. In addition, debit (ATM Cards) and credit cards of the Banks have the in-built cover for accidental death. (In fact, many debit cards have certain unknown additional features as accidental death risk coverage, free access to airport lounge, baggage insurance, buyers' protection subject to conditions.)

1. **PMSBY- Pradhan Mantri Suraksha Bima Yojana** Accidental death cover at subsidized premium is available through Govt of India Scheme PMSBY implemented through Banks. Scheme details are as follows

   Eligibility -18 to 70 Years. Period June 1-May 31st. - **Premium:** Rs. 12 per annum- Risk Cover- Accidental Death- Rs 2 Lakh. Injury due to accident-Rs 1 to Rs 2 Lakh. Even if the account holder is having multiple accounts with the same Bank/Different Bank Risk is covered per policy holder only. (Max – Rs 2 Lakh)

2. **RuPay Debit Cards**-Risk benefit per Customer. Even if a person is having different RuPay cards, risk can be covered per person only. The **Insurance policy** is applicable **for** the compensation of only one eligible **RuPay card per** cardholder or **per customer**, even if multiple **cards** held **by** cardholder of same / different banks meet the eligibility criteria. The choice of the **card for** the claim would rest with the **customer**.

3. **Visa /Master Debit/Credit Cards**- Accidental Death -Covers Risk per Bank/per Customer, subject to conditions.

   In respect of Accidental Death of a person, for the same person claims can be made for all the above categories.

4. In case of death happened due to Train/ Flight accident compensation can be claimed as per the Insurance cover available in respective Tickets. This is apart from any compensation sanctioned by respective Govt/Airlines,

5. In case of accidental death on roads involving Motor Vehicles, claim can be made under Motor Vehicle Insurance Act. Compensation will be decided by the court based on the age, income and dependents of the insured.

6. Apart from the above in case of death due to natural calamity, freak accidents State Government sanction compensation through Chief Minister's relief Fund.

B. Risk cover under Life Insurance

1. **Life Insurance Policy**-Can be claimed per policy. If a person having multiple policies claim can be made for natural death/Accidental Death**.**

   For accidental death apart from claim under Life Insurance, additional claim can also be made under General Insurance vide Category A above.

   Life Insurance Cover at subsidized premium is available through Government of India Scheme PMJJBY implemented through Banks. Scheme details are as follows.

2. PMJJBY (Prime Minister Jeevan Jyothi Beema Yojana)

   Those who are having accounts with the Bank can join subject to age restrictions.

   · Age – 18 Years – 50 Years can join. (Risk cover up to 55 Years)

   · Irrespective of income level one can join.

   · Yearly premium – Rs 330/- + GST

- Life Risk Cover- Death due to any reason – Rs 2 lakh
- Cover period- 1st June to 31st May. Any time one can join the scheme. First premium depending upon the quarter in which the customer is joining.
- Even if a person is having multiple bank accounts, benefit is restricted to one account only.

  NRIs also can join the scheme.

Important Point: Apart from the above, for the Bank account holders most of the Banks have tie up Schemes with Insurance Companies and offer Life Insurance cover and Accidental death cover to their account holders subject to age criteria. Most of the customers are their legal heirs are not aware about this cover. A perusal of Bank Statements, if one finds annual debit entries towards insurance, the legal heirs are to approach the concerned Bank branch and should make a claim with in the time limit prescribed for natural death and accidental death cases, subject to cover availability. Most of the legal heirs are ignorant of availability of such cover due to lack of policy details or information from the bank about such cover facilities, though the accounts are debited with a small amount of annual premium.

C. Health Insurance**:**

Health Insurance policies can be taken individually as a floater policy for family or via group policy taken by the employer or though Schemes of the Bank covering the account holders of the bank who are willing to join the scheme.

If a policy holder having multiple policies, claim can be made for a single hospitalization, depending on the choice of the policy holder. For one hospitalization claim can be made with different insurers only when a limit with one insurer is fully exhausted and for balance amount claim can be made with the other insurer.

Chapter 3. FAMILY PENSION

A. Eligibility

Family pension will be paid to the spouse of the deceased from the date following the death of the pensioner. The terms of family pension, quantum depends upon the organization. In Banks the following is the norm for family pension. To ascertain the Quantum and other terms the Pension Payment order has to be looked in to.

To make the process of claiming Family Pension, the PPO with amendments if any should be kept in a place where it can be easily traced. Pension Certificate or Pension Payment Order usually contains two halves. One is called disbursers half which will be with the pension disbursing office/Branch. The other half is called Pensioner's half of PPO. Though conventionally called as half, both the halves contain similar particulars with due details of terms of Pension and family pension with identification mark details of Pensioner, Family Pension Nominee, Photo of Pensioner and spouse etc.

As per the terms of Pension payment Family Pensioners have to furnish periodical Certificates Like Life Certificate, Non-Remarriage declaration in case of Widows and Non-Remarriage certificates in case of Widowers etc.

Important Point:

It is important to intimate the demise of the Pensioner to the Pension paying Branch, with a request to make arrangements for the eligible funeral expenses as early as possible.

Formal request for commencement of family pension, the spouse of the deceased can be made after some time after the recovery of the family from the initial shock and grief.

B. Bank Pension Scheme

The terms of Payment of Family Pension in Banks are as follows, most of which are formulated based on the earlier Central Govt Pension Scheme.

Family Pension:

Enhanced Rate of Family Pension:

Where the employee has completed 7 years of continuous service at the time of death family pension may be paid at 50% of last drawn or twice the ordinary rate of family pension whichever is less for a period of 7 years or till the deceased employee attains the age of 65 years had he survived.

Period of Payment:

The period for which the pension is payable is:

a) In case of widow/widower, up to the demise or re-marriage whichever is earlier.

b) In case of son, until he attains age of 25 or until he gets married whichever is earlier.

c) In case of unmarried daughter, until she attains age of 25 years or until she gets married whichever is earlier.

d) The total income of the children should not exceed Rs. 2550/- per month and for parents wholly dependent on him should not exceed 2550/- provided he has left no widow/widower or child after him.

e) However, a son or daughter shall continue to get family pension if he or she suffers from any mental or physical disability irrespective of attaining 25 years of age.

Order of Payment of Family Pension**:**

After the demise of the employee the family pension will be paid in the following order:

a) Widow or widower (if not remarried).

b) Children in order of birth. Youngest one will become eligible only if elder ones have become ineligible.

c) Disabled child will receive family pension for life, if nobody else is there.

d) Payment to twins and widows: It will be paid in equal shares in case of twins and to widows in case there is more than one.

Receipt of two-family pensions:

In case of demise of both husband and wife who were employees of the bank, the child will get two family pensions subject to ceiling on the total amount of pension.

Suspension of Family Pension:

If the person who is availing pension benefits in the event of death of the employee is charged with murdering the employee or involved in abetting such offence, the rights of such person to avail such benefits shall be withdrawn along with all other eligible family members till the conclusion of such proceedings. a) In case of conviction in such offence, he shall be barred from receiving family pension which shall be payable to other family members from the date of death of the employee. b) In case of acquittal, family pension shall be payable from the date of death of the employee. Similar provisions shall apply to pension payable to an employee after his retirement, if he is convicted by court or he is found guilty of grave misconduct.

C. Whether a Joint SB Account can be continued for family pension after death of a pensioner?

Yes, the banks should not insist on opening of a new account in case of pensioner if the spouse in whose favour an authorization for family pension exists in the Pension Payment Order (PPO) is the survivor.

The family pension should be credited to the existing account without opening a new account by the family pensioner for this purpose if the family pensioner desires so.

Chapter 4 - Bank Accounts in the Name of the Deceased Depositor

I. Saving Bank Accounts Saving Bank Accounts:

1. SB Pension Account -Joint account with E or S with the Spouse (Family Pension nominee)

On the death of the pensioner, application along with copy of death certificate of the pensioner and identification documents (KYC if required) are to be submitted to the pension paying Authority/Branch for the commencement of family pension. If the applicant is having Joint account with the deceased pensioner, then it can be requested to credit the family pension in the same account if desired by the family pensioner.

In such cases Branch, after the demise of the pensioner, will complete the formalities of settling the balance in the account to the survivor and take action to delete the name of the pensioner as prime account holder and make the family pensioner as primary holder. The family pensioner may opt to continue with the existing nomination or can make a fresh nomination.

The family pension account cannot be a joint account. It should be an individual account only. While filing Income Tax returns, the family pensioner should add this account, as an operative SB account. Alternatively, the family pensioner can opt to close the joint account with the deceased pensioner and may request credit of family pension in the already existing account in the name of her, if any or a new account can be opened. But family pension accounts cannot be a joint account.

2. Other than Pension Account-SB account -Joint account with E or S clause:

Upon the death of one of the account holders in a joint account carrying the mandate "Either or Survivor" the balance in the accounts becomes payable to the survivor(s) upon production of the death certificate of the deceased.

In the case of running accounts, although the account can be continued in the name(s) of the survivor(s), it is advisable to get the account closed by the survivor and a new account opened in the name(s) of the survivor(s).

It should be remembered the role of the survivor is akin to Nominee, that the survivor is receiving money as a trustee on behalf of legal heirs and answerable to the claims of legal heirs if any.

However, Bank is discharged by making payment to the survivor based on E or clause.

3. SB accounts -Joint account without E or S clause:

Upon the death of one of them, operations in the account will not be allowed, as the balance is payable to the survivor(s) and the legal representatives of the deceased person. Hence the survivor along with other legal heirs can make the claim for settling the balance in the account. Here it should be noted that there is no role or right to nominee. The nominee will come into picture only on the death of all the joint account holders. Death of one of the joint holders confer no rights to the nominee to claim the balance in the account.

II. Term Deposit accounts

1. Repayment of Term Deposit Accounts-Joint Accounts-E or S Clause

Upon the death of one of the account holders in a joint account carrying the mandate "Either or Survivor" the balance in the accounts becomes payable to the survivor(s) upon production of the death certificate of the deceased.

The signatures of both the depositors need not be required for payment of the amount of the deposits on maturity.

However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity.

If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.

Specific Joint Mandate has to be given at the time of opening the deposits, to allow premature withdrawals of fixed/term deposits with the mandate of 'Either or Survivor'. In other words, in case of term deposits with "Either or Survivor" banks are permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.

It should be clearly understood that in the case of term deposit accounts, the survivor has no right to close them before maturity or avail of an advance against such deposits unless the account holders had given a mandate jointly signed by them at the time of opening the deposit, enabling that the survivor/s to foreclose the deposits or raise any loan before maturity.

Even if there is nomination exist in that account it will not be given effect as nominee will come in to force only on the death of all the joint account holders.

Following options are available to the survivor of the Deposit account

a. Based on the joint mandate (given by the depositors at the time of opening the deposit) to foreclose the deposit -the survivor can opt to pre close the deposit. In such cases there won't be any pre closure charges/penalty.

   Interest rate would be as applicable for the period run as prevailed at the time of opening the deposit.

b. In absence of joint mandate or if the survivor is not in need of that deposit or the survivor wants to avail the benefit of higher interest on the deposit - survivor can opt to close the deposit at the time of maturity. If the deposit is cumulative then maturity proceeds can be credited to survivor account on maturity.

In cases of deposits where monthly/quarterly interest is payable, the survivor may request the Bank to credit the interest to his/her account. Survivor is liable to account for interest income while filing IT returns and survivor is entitled to furnish 15g/15h as applicable.

2. Repayment of Term Deposit Accounts-Joint Accounts- without E or S Clause

As signatures /discharge of both the depositors are required for payment either on maturity or Preclosure, in case of one of the depositor dies the amount is jointly will become payable to the survivor along with the legal heirs of the deceased depositor. The survivor and the legal heirs of the deceased should approach the branch to complete the claim formalities. There is no role to the nominee as the nomination would come in to force upon death of all the joint deposit holders.

3. Repayment of Term Deposit – Single Account with Nomination:

In case of Individual deposits, where the depositor died or in case of Joint Deposit accounts where all the joint account holders died, Nominee can opt for pre closure of the deposit (without pre-payment penalty). Interest rate would be as applicable for the period run.

Alternatively, though the nominee can claim the deposit on maturity. But if the interest amount is substantial, it is advisable to close the deposit instead of continuing the deposit till maturity due to the problems in getting the payment of interest due as well interest tax implications on the interest accrued on the cumulative deposits (TDS provisions and accounting for interest in the income tax liability)

III. Safe Deposit Lockers and Safe Custody Articles

Access to Safe Deposit Lockers – (With Survivor/Nominee Clause)-

In case of Sole heir -nominee will have the rights to access the locker of the deceased and liberty to remove the contents of the locker on submission of requisite documents.

In case of locker Joint accounts with joint operations-in the event of death of one of the hirers, the Bank will access of locker and liberty to remove the contents jointly to the survivor/s and the nominee(s). Here all the Nominees and the survivors will join together to make a claim

In case of Locker Joint accounts with either or survivor, or any one or survivor clause – access of the locker will be given to the survivor(s) according to the survivorship clause on the death of one or more of the locker hirers.

However, in all cases Banks should make it clear to the survivor(s) / nominee(s) that access to locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

Similar procedure will be followed for return of articles placed in the safe custody of the bank.

The facility of nomination is not available in case of deposit of safe custody articles by more than one person.

IV. Features of Bank Account Nomination

1. In Bank accounts there can be only one nominee, even in case of Joint accounts.

   In case of Joint accounts, Nomination will come in to force only on death of all the joint account holders.

   In case of Joint Locker accounts there can be more than one nominee corresponding to the number of account holders.

2. Nomination is only a facility for hassle free payment on death of a depositor. It won't confer any absolute ownership to the nominee. Nominee receives the money only as a trustee on behalf of legal heirs of the deceased and he is answerable to them. The same case is applicable to the survivor in E or S accounts.

Money Received by the Survivor/ Nominee on death of the account holder- survivor(s) / nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made

V. A. Nomination in Bank accounts favouring Non-Resident Indians

1. A non-resident Indian can nominate a resident as a nominee and a resident Indian can nominate a non-resident as a nominee. However, remittance of funds from the account of the deceased depositor to the non-resident nominee will be subject to the Exchange Control Regulations, prevailing at the time of remittance.

2. In respect of Non-Resident Nominee, the claim proceeds will be credited in to the NRO account of the Nominee.

3. Presently (as on May 2021) Balances in an NRO account of NRIs/ PIOs are remittable up to USD 1 (one) million per financial year (April-March) along with their other eligible assets. Assets acquired from legacy/ inheritance/ deed of settlement. Non Resident Indians may remit up to USD 1 Million in a financial year

B. Which are the cases related to Remittance of Assets for which prior approval of RBI is to be sought for effecting the remittance?

RBI approval is required if:

Remittance is in excess of USD 1,000,000 (US Dollar One million only) per financial year:

a. on account of legacy, bequest or inheritance to a citizen of foreign state, resident outside India; and

b. by NRIs/ PIOs out of the balances held in NRO accounts/ sale proceeds of assets/ the assets acquired by way of inheritance/ legacy.

C. What are the Tax implications in respect of remittance of assets?

All remittances are subject to payment of taxes as applicable in India – Authorised Dealers are to convince themselves on this aspect.

VI. Important Points

Earlier banks were not paying interest on Overdue deposits not renewed. As per RBI initial guidelines Banks to pay simple Interest at SB rate for such deposits not renewed. Subsequently Banks were allowed to frame their own policies for payment of interest on Overdue deposits. But most of the Banks pay simple Interest at SB rate for the overdue deposits not renewed.

The nominee/Survivor/Legal heirs must be aware that for the overdue deposits in the name of the deceased depositor, they are entitled to receive interest at SB Interest rate from the date of maturity till date of settlement of deposits.

Chapter 5. Loan Accounts in the Name of the Deceased Borrower Loans in the Name of the Deceased Borrower

There could be different type of loans in the name of the deceased borrower

A. Home Loan**:**

1. Most of the home Loans have the Liability Insurance Cover in case of death of the borrower or in case of one of the joint borrowers. In case of unfortunate demise of the home loan borrower the entire outstanding will be paid by the insurance Company if there is such cover exists.
2. In such cases Intimate the Bank about the death of the borrower and request them to take action for clearing the outstanding based on the liability insurance cover. If no such cover exists take action to clear the outstanding Loan and seek time or interest waiver if needed. Once the loan is closed get a No due Certificate from the Bank and take action for clearing any encumbrance with the registrar office. After discharge of encumbrance, it is better to get Nil encumbrance Certificate from the Concerned Registrar Office.
3. In case the legal heir/Legal heirs join together to Sell the property and to close the outstanding dues against the property, Bank should be informed about their intention to sell the property. If needed in the meantime Bank may be requested to give extension for time for clearing the outstanding dues if any. Based on agreement that the sale proceeds will be deposited directly in the Bank account and on completion of formalities of documentation Bank may give NOC with conditions that the Original Title Deeds and Parent Documents will be released directly to the buyer on the date of registration after ensuring that the proceeds are credited/will be credited to the Bank account for closure of Bank account. If there is any likely shortfall in the proceeds Bank may insist for additional arrangements for the closure of Loan account. The surplus proceeds will be treated as claim and settled among legal heirs.
4. For releasing her documents most of the Banks do not consider it as a claim process. Most of the Banks follow the procedure given below for releasing the Title deeds mortgaged.
   a. The title deeds will be returned to the legal heirs only against a written request and after confirming the discharge of mortgage.
   b. If one of the joint mortgagors is reported to be dead, the title deeds may be returned to the surviving mortgagor (s) on receiving a true copy of the death certificate.
   c. On the death of sole mortgagor, the title deeds may be returned to all the legal heirs after obtaining the following:
      (i) True copy of the Death Certificate;
      (ii) Legal heirship Certificate obtained from the Tehsildar or Notarized affidavit given by two respectable and independent persons certifying the legal heirs in the format adopted for settlement of claims on deceased constituents accounts.

If any of the legal heirs could not come in person, authorisation letter may be given in favour of another legal heir to receive the title deeds.

B. Loan against immovable property standing in the name of the deceased

Same procedure as applicable to Housing Loan may be followed.

C. Education Loan

When education loan is taken for studies of the Son and Daughter of the deceased – On the death of the co borrower of the education loan, Bank may be informed about the death of the co borrower.

Most of the educational Loans come with the optional Liability Insurance Cover for the Student/joint Borrowers. In such insurance cover is taken and available, Bank may be requested to adjust the outstanding dues with the insurance cover.

If no such insurance cover is available for the obligant/co borrower, and if the student is yet to complete the course necessary action has to be taken for continuing the loan facility so as to facilitate completion of course by the student. In such cases, Bank may be requested to complete required formalities/documentation for continuing the education Loan Scheme duly informing the death of the co borrower.

D. Vehicle Loan

In case of vehicle Loan in the name of the deceased, Legal heirs should intimate the Bank/Financier about the death of the borrower. On clearing the outstanding dues discharge Certificate and Necessary RTO forms to be obtained to lift the hypothecation clause in the RC book. Simultaneously action may be taken to name transfer the vehicle to the nominee/ legal heir. In case the legal heirs decided to sell the vehicle, action can be taken for name transfer simultaneously while lifting the lien or hypothecation clause. Appropriate action to be taken for change of name in Insurance documents too.

Important Note:

1. On release of Documents of immovable properties, it is important to get the registered Lien entry lifted at Registrar Office. A Nil encumbrance Certificate has to be applied to verify the discharge of Mortgage.
2. 2. For vehicle Loan, hypothecation clause has to be removed in the RC book. After Name transfer in the RC Book, insurance policy name change should also be applied.

Chapter 6. Cancellation of Credit/Debit Cards -SI/ECS/SIP on the death of the Card Holder

Process involved in cancellation of Credit and Debit cards

A. Credit Card**:**

On the death of the card holder, the legal heir should find out any insurance Cover is available on the cards like accidental death cover, life cover etc.

Card issuer has to be intimated about the death of the card holder and if there is any insurance claim is eligible the same may be claimed.

The legal heirs are liable to pay the Credit Cards dues of the deceased. For that out Statement has to be called for to verify the outstanding dues to be paid including interest and charges if any. The same has to be paid and a final Statement indicating that Nil due on the card should be obtained. If the outstanding amount is substantial, it is open to the legal heirs to negotiate the final settlement if possible and needed.

After ensuring that No insurance benefits are available or after availing Insurance cover if any, Legal heirs should send a request to the card issuer to cancel the Credit after settling the dues on the card.

Even if there is no outstanding it is better to inform the insurer and obtain a NO due statement on the card from them.

But before cancelling the card take action to cancel the Standing Instructions arrangements for recurring payments/Subscriptions to utility providers /Service Providers. Eg-Mobile – Cell Phone, Land Line Telephone, Internet Service, Power, water, House Tax etc.

Cancelling the credit card is not enough to stop these payments from being processed. Check the Credit Card statements to ascertain such recurring transactions and take action with the concerned Service Provider/Organizations intimating the death of the card holder to cancel the existing Standing instructions.

B. Debit Card

Once the account linked with the Card is closed the card atomically stands cancelled. Certain Debit cards provide Accidental Death Insurance Cover. Before closure of account ensure all eligible insurance covers related to the Bank account are availed.

C. Disposal of the card

Once the card account has been cancelled, it’s important to destroy the physical card. The best way to dispose of any cards is to run them through a shredder or cut them into pieces so that the magnetic strip and EMV chip isn't viable and the personal information isn't readable.

D. Preservation of Statement/Records

It is important to preserve the Statements and Closure Letter from the Card holders for Income Tax and other Purpose at least for a period of 7 years or as a permanent record till the generation passes over.

E. How to Cancel the Standing Instructions, SIP/ECs mandate?

On death of the account holder the Standing Instructions given the account holder atomically stands cancelled.

While informing the Bank about the Death of the account holder it is better to advise Stop payment /Cancel the existing Standing Instructions, SIP and ECs arrangements. As a precautionary measure it is advisable to inform the concerned AMC/Organizations in whose favour ECS and SIP were given to cancel them informing the death of the account holder.

F. Can the Debit and Credit cards be used after the demise of the card holder?

No. Even if the legal heirs or next of kin of the deceased know the pin of the Card, they should not use any Debit or Credit cards of the deceased. It could be termed as fraudulent transactions.

Especially drawing Pension after the demise of the pensioner using the debit card, without informing the death of the pensioner is a serious crime.

Chapter 7. Various Type of Accounts in the Name of the Deceased Depositor

Mostly the family of the deceased got confused as how to handle the various type of investments in the name of the deceased depositor before and after its maturity.

Tax Saver Deposit Scheme, PPF, Senior Citizen Savings Scheme, PMVVVY etc.…

I. Tax saver Deposit Scheme**:**

On the death of the Account holder (individual account) -the nominee can claim the deposit amount before or after the maturity date. No pre closure penalty will be applicable. Tax Saver Deposit carries fixed interest for the term of 5 years. Deposits closed, on the death of the depositor will carry the same interest as contracted. (Rule 13 of Bank Term Deposit Scheme 2006- Tax Saving Deposit Schemes)

In case of deposits where the depositor died without giving nomination, the deposit amount can be settled to the legal heirs.

The nominee should make an application to the branch manager of the Bank, supported by proof of death of the account holder.

In case of Joint accounts, if one of the account holders dies, nomination will not come in to force and the survivor can acclaim the deposit only on maturity (rules are silent about making premature payment to the survivor)

II. Senior Citizen Savings Scheme (SCSS)

1. Individual account-Single

On the death of the account holder nominee or legal heirs can claim the amount before maturity or after maturity.

a. the account shall be closed and deposit refunded along with interest as applicable to this Scheme till the date of the death of the account holder, to the nominee or the legal heirs.

b. From the date of death till date of claim settlement- interest at the rate applicable on Post Office Savings Account.

c. If the spouse is sole nominee, she can continue the account till maturity subject to eligibility and Scheme investment ceiling.

2. Joint Account

a. In case of a joint account, the spouse may continue the account on the same terms and conditions as specified under this Scheme, if the spouse meets eligibility conditions under the Scheme on the date of death of the account holder.

b. Joint account holder on the death of the First holder will have the option to close the account before maturity or after maturity.

c. Interest as applicable in 1 a and b.

Note: Where both the spouses have opened separate account or accounts under this Scheme and either of the spouses dies during the currency of such account or accounts, then such account or accounts standing in the name of the deceased account holder shall not be continued in the name of the spouse

3. Senior Citizen Savings Scheme- Important points

A Senior Citizen can open a joint account with his/her spouse. Spouse need not be a Senior Citizen.

Maximum 4 persons can be nominated with ownership rights, duly mentioning the percentage of share to each.

Upon death of the Senior Citizen in case of joint accounts with spouse, spouse, if she is a Senior citizen, can continue the account. If Spouse is the sole nominee, she can also continue the account.

Where both the spouses have opened separate account or accounts under this Scheme and either of the spouses dies during the currency of such account or accounts, then such account or accounts standing in the name of the deceased account holder shall not be continued and the account has to be closed.

In case the spouse is not a Senior Citizen or in case of single account on death of account holder payment will be made to the nominees /legal heirs with interest as applicable to this Scheme till the date of the death of the account holder.

Interest on the deposits in the account shall earn interest at the rate applicable on Post Office Savings Account from the date of death of the account holder till the date of final closure of the account.

Nomination -Important conditions:

A Depositor in a Single Account, or the depositors in a joint account, as the case may be, shall nominate one or more individuals as nominee but not exceeding four individuals.

Such nomination shall be made at the time of opening of the account by furnishing the following information in Form 10: (a) Name(s) of the nominee(s); (b) Percentage share each nominee shall be entitled to; (c) Whether the nominee shall receive the amount as a beneficiary with absolute and exclusive right of ownership, or as a trustee for the benefit of the legal heirs of depositor.

The nomination made may be varied by the depositors by making a fresh application in Form 10, together with the Passbook, to the Accounts

Office any time before the maturity of the account. On death of nominee fresh nomination has to be made.

Payment on the death of depositor. -

a. In the event of death of the depositor of a single account or of all the depositors in a joint account, the eligible balance in the account shall be payable.

b. If a nomination made under rule 14 is in force at the time of death of the depositor of a single account or all the depositors of a joint account, the nominee may make an application in Form 11 to the Accounts Office for payment of the eligible balance and the application shall be accompanied by the proof of death of the depositor, and where any other nominee has also died, the proof of death of such nominee.

c. If there are two or more surviving nominees, the eligible balance shall be paid in the proportion as specified by the depositor while making the nomination, and if no such proportion or share is specified, then in equal proportion to all the surviving nominees.

d. If any nominee dies, his specified share in the eligible balance shall be distributed among the surviving nominees in the same proportion as their specified shares.

4. Question: In case of Joint accounts with Spouse, both are Senior Citizens, both can invest Rs 15 lakh each under SCSS. In case of unfortunate demise of one of them what will be the position. Whether the survivor can continue both deposits? If not, what will be the ROI on closure of one deposit?

In such cases the deposit carrying the first name of the deceased to be closed as continuing the deposit would breach the Rs15 lakh ceiling per depositor.

Rate of Interest in such cases for the deposit closed is as per contract rate.

Rule**- In case of death of the account holder before maturity or extended maturity, the account shall be closed and deposit refunded on an application in Form-3 along with interest as applicable to this Scheme till the date of the death of the account holder, to the nominee or the legal heirs, as the case may be.**

Provided that interest on the deposits in the account shall earn interest at the rate applicable on Post Office Savings Account from the date of death of the account holder till the date of final closure of the account.

5. Question: SCSS-In case of death of the Sr citizen depositor wants to pre close the deposit what are the provisions for such pre closure and payment of interest? Whether pre closure attracts any penalty in such cases?

In case the depositor wants to pre close the deposit in his/ her life time rules are

a. No interest will be paid, if closed within one-year Int paid will be recovered.
b. If closed after 1 year and before 2 years -Interest mentioned in the deposit receipt -1.5%
c. Pre closed on or after 2 years from the date of opening - Interest on the Deposit -1%.
d. The deposit period is 5 years. Can be extended for a period of another 3 years. (Rate of interest as applicable on the date of maturity). Such deposits can be closed any time after 1 Year of such extended date without any penalty/ deduction.

6. Question: What is the settlement procedure in the event of death of the depositor where there is no nomination or the nominee also dies?

The claimant has to produce probate of his will or letters of administration of his estate or a succession certificate as granted in the Indian Succession Act, 1925 (39 of 1925) is not produced within six months from the death of the depositor to the authorized officer of the Accounts Office.

In case the claimant could not produce the documents as above within 6 months from the date of death then he may approach the accounts office, if the claim amount does not exceed Rs 5 lakhs **for claim settlement by producing the following documents.**

a. Death certificate,
b. Pass Book or deposit receipt/statement of account in original,
c. Affidavit in Form-13,
d. Letter of disclaimer in Form-14,
e. Bond of Indemnity in Form-15.

If the eligible amount in a deceased account is above Rs. 5 lakhs. the amount shall be paid by the Accounts office to the claimant on submission of 'Succession Certificate' issued by the court along with the following documents; namely: - (a) Claim form, (b) Pass Book or deposit receipt or statement of account in original, (c) Death certificate of the account holder.

7. Question: What is the advantage of having more than one nominee in Seniors' Citizen Savings Scheme?

In case of death of the depositor without nomination or in cases where the sole nominee also dies, it will be very difficult to claim the proceeds. The advantage of more than one nominee (Share can be judiciously given) is that in the event of death of one nominee the amount can beclaimed easily by other nominees with the proportionate share of the deceased nominee dwell upon them.

In absence of nomination for claim above Rs 5 lakh, succession certificate /probate is required, making the settlement process difficult and time consuming.

Even for the claim amount below Rs 5 lakh, one need to wait for 6 months to get the account settled without succession certificate.

III. PMVVY (Pradhan Mantri Vaya Vandana Yojana)

Pradhan Mantri Vaya Vandana Yojana (*PMVVY*) is a government backed scheme sold through Life Insurance Corp. of India.

In the event of the death of policy holder during the policy term of 10 years, the purchase price shall be returned to the beneficiary.

During the policy period there is no pre closure option to the policy holder except on the grounds of critical illness. PMVVY-Premature exit is allowed only if the pensioner needs money for treatment of any terminal/critical illness of self or spouse. In case of such surrender, there will be premature exit penalty of 2%. one will get back 98% of the purchase price.

IV. Public Provident Fund Scheme (PPF)

1. **Closure of account on death of the account holder**. -

(a) In the event of the death of the account holder, the account shall be closed and the nominee or the legal heir shall not be allowed to continue the account.

(b) The balance in the account of the deceased account holder shall earn interest till the end of the month preceding the month in which the eligible balance is paid to the nominee or the legal heir, as the case may be.

(c) Important point is that till settlement (up to previous month of settlement) the account will earn interest as applicable to the PPF scheme, irrespective of date of death of the account holder. That is even after the date of death, or maturity, the PPF account would continue to earn higher interest as applicable to PPF Scheme.

2. **Question: How many persons can be nominated in PPF accounts?**

Maximum four can be Nominated. at the time of opening of the account by furnishing the following information in Form 1: (a) Name(s) of the nominee(s); (b) Percentage share each nominee shall be entitled to; (c) Whether the nominee shall receive the amount as a beneficiary with absolute and exclusive right of ownership, or as a trustee for the benefit of the legal heirs of depositor.

3. **Question: In case of death of a nominee how the PPF account would be settled?**

In the event of death of the depositor of a single account or of all the depositors in a joint account, the eligible balance in the account shall be payable as specified to the nominee/s in the proportion as specified by the depositor while making the nomination, and if no such proportion or share is specified, then in equal proportion to all the surviving nominees. In cases where any other nominee has also died, the proof of death of such nominee to be given along with claim., his specified share in the eligible balance shall be distributed among the surviving nominees in the same proportion as their specified shares.

The balance in the account of the deceased account holder shall earn interest till the end of the month preceding the month in which the eligible balance is paid to the nominee or the legal heir.

4. **Question: In case if there is no Nomination what is the cut off amount up to which hassle free claim settlement can be made?**

Up to Rs 5 Lakh. Above Rs 5 lakh Succession Certificate is required.

5. **Question: What is the procedure for claim settlement without Nomination?**

If a depositor dies and there is no nomination in force at the time of his death, and probate of his will or letters of administration of his estate or a succession certificate as granted in the Indian Succession Act, 1925

(39 of 1925) is not produced within six months from the death of the depositor to the authorized officer of the Accounts Office where the account stands, then, - (i) if the eligible amount in the account does not exceed Rs. 5 lakh, the authorized officer of the Accounts Office or the authority specified by the Institution to which the Accounts Office belongs, may pay the same to any person appearing to him as the rightful claimant and to his satisfaction to be entitled to receive the amount or to administer the estate of the deceased, on an application in Form-11 accompanied by the following documents; namely:- (a) Death certificate, (b) Pass Book or deposit receipt/statement of account in original, (c) Affidavit in Form-13, (d) Letter of disclaimer in Form-14, (e) Bond of Indemnity in Form-15, (ii) if the eligible amount in a deceased account is above Rs. 5 lakhs**, the amount shall be paid by the Accounts office to the claimant on submission of** 'Succession Certificate' **issued by the court along with the following documents; namely: - (a) Claim form, (b) Pass Book or deposit receipt or statement of account in original,**

(c) Death certificate of the account holder.

V. Employee Provident Fund (EPF)

1. **Under EPF, on death of the subscriber the amount will be paid to the nominee.**

If there is no nomination entire sum would be paid to family members in equal share. Sons who attained majority and married daughters whose husbands are alive. In case of EPS, if a person is unmarried pension would be payable to dependent father/mother.

2. Employee Provident fund (EPF) nomination rules for family

- The 'spouse,' 'legitimate children,' 'stepchildren,' 'deceased son's widow,' 'deceased son's legitimate children,' 'deceased son's step-children' and 'dependent parents' are considered as legal 'family members' while nominating a family member in EPF account.
- The provident fund account holder having a family can only nominate one or more persons belonging to the family.
- Any nomination made by a PF account holder in favour of a person not belonging to his family will be treated invalid.
- If in case the provident fund account holder doesn't have a family while filing the nomination request, then he is eligible for nominating another person or persons.
- However, such nominations shall be considered as invalid if the PF account holder acquires a family after in future.
- In such cases, the PF account holder will be allowed to make a fresh nomination in favour of one or more persons belonging to the family.

3. Provident fund nomination modified rules

- A person has the complete right to modify the nominated individuals and the share payable to them at any time by giving written notice to the trustees of EPFO describing his intention of doing so in Form No. 40B.
- According to the present rules of provident fund nomination, a modification of nomination will come into effect from the date on which it is received by the trustees of EPFO.
- Further, the interest of the nominee will be reverted to the original PF account holder if the nominee dies before the provident fund account.
- The provident fund account holder will be, therefore, required to make a fresh nomination in respect of such interest.

4. EPF Nomination Rules 2019

- A person having an EPF account can nominate one or more persons who can receive the PF amount that may stand to his credit in the provident fund account.

- A person nominating more than one person is required to specify the amount or the share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the provident fund account.
- The provident fund account holder having a family can only nominate one or more persons belonging to the family. Any nomination made by a PF account holder in favour of a person not belonging to his family will be treated invalid.
- As per EPF Nomination rules only family members can be nominated. Under EPF act, in case of Male member family is defined as –wife, Children, Dependent Parents, Deceased Son's widow and children
- In case of Female-husband, children, her dependent parents, her husband's dependent parents, her deceased Son's widow and children.
- Under Nomination rules family is defined differently for EPF and pension (EPS). In case of EPF member has the option to nominate even his/her parents apart from Spouse and children.
- But in case of Pension Scheme, (EPS) member can nominate only Spouse and children.
- After marriage for EPF, member can nominate parents or any family members. If the member is not having any family, he can nominate anyone. But the nomination becomes invalid, once he acquires a family.
- Under EPF, if there is no nomination entire sum would be paid to family members in equal share. Sons who attained majority and married daughters whose husbands are alive. In case of EPS, if a person is unmarried pension would be payable to dependent father/mother.
- Nomination made for EPF/EPS accounts become invalid on marriage of the subscriber. A fresh nomination is required after marriage of the subscriber.

Chapter 8. Nomination - Various Assets Classes

Nomination**: In most of the asset classes, the legal position of the nominee is that the nominee has to act as a trustee and cannot ownership rights. The money rightly belongs to the legal heirs or to the person nominated in the will of the asset owner. There are exceptions to this rule.**

In case of Nomination for the Retirement benefits like Life time arrears, Gratuity, PF and other Service benefits the nominee will receive owner ship rights. The employee while making nomination in such a way that he can mention the proportionate rights for each nominee.

In a Nutshell- Nomination with reference to Insurance Policies, Small Savings Schemes, Retirement benefits can create "beneficial ownership".

Where as in all other cases like Deposits, Shares, Mutual Funds Nomination can create "fiduciary interest "only (Position of Nominee is only a Trustee to the Legal heirs).

Even in Coop Society Flats, Nominee can get the shares /Interest transferred in his/her name. However, the nominee is legally answerable to the other members of the family, if they pursue their case of succession or inheritance against the nominee.

This highlights the imperative need for making a valid "Will" clearly mentioning the legal heirs of the testator, the manner of distribution among legal heirs or other persons on his/her death**, name of the executor, to manage the estate until its final distribution.**

Effect of Nomination on various asset classes

1) **Nomination for Bank Accounts** According to Section 45ZA (2)(Banking Regulation Act), nominee merely get exclusive right to receive money from bank.

But he will not derive ownership rights. But point to be noted here is, banking laws will not be concerned about succession acts.

Hence banks responsibility end once they transfer the amount to nominee. But it is the nominee's legal responsibility to act as a trustee and transfer the money according to succession act. He is answerable to the person nominated in the will if any or to the legal heirs of the deceased.

2) Nomination in Government Small Savings Schemes like PPF, SCSS, NSC Etc.

Small Savings Schemes like PPF, SCSS, NSC, Post Office Time Deposit Schemes do not have the provision to confer ownership rights to the nominee. It is akin to Bank Deposits nomination. Such payment to nominee does not deprive the legal heirs and holders of succession certificate to receive the amount in the hands of the nominee. [Supreme Court decision in VIDYA Vs VISHIN case, October, 2000 and D.G. Posts letter No. 105-26/93-SB dated 5.8.1994]

To obviate this Small Savings rules 2019 amended the Nomination form to include Ownership benefits to the nominee.

In the present Nomination form, there is an option for the account holder to specify nature of entitlement, whether Trustee or Ownership with due share for each nominee. (Form 1)

Small Savings Rules 2019, rules provide Nomination facilities conferring ownership rights to the nominees of accounts like PPF, SCSS, NSC Etc.

Important Note: It is very important to exercise nomination facility for Small Savings Accounts like PPF, Senior Citizen Savings Scheme etc.

If account holder dies and there is no nomination at the time of death, the balance in the account, if it is up to Rs.5,00,000, will be paid by the Accounts Office to the legal heirs of the deceased on receipt of application in Form G supported with necessary documents without the production of succession certificate.

If the balance is more than Rs 5,00,000 then production of Succession certificate is mandatory.

Question: How many persons can be nominated in Govt Small Savings Accounts?

Maximum four can be Nominated. at the time of opening of the account by furnishing the following information in Form 1: (a) Name(s) of the nominee(s);

(b) Percentage shares each nominee shall be entitled to; (c) Whether the nominee shall receive the amount as a beneficiary with absolute and exclusive right of ownership, or as a trustee for the benefit of the legal heirs of depositor.

3) Nomination Under Insurance Act 1938

Nominee under Life Insurance Policies derives ownership rights.

A nominee is appointed by the policyholder and can be anyone to whom the policyholder wants to give a valid discharge to the policy monies in case of death of the policyholder during policy tenure.

As per Section 39 of the Insurance Act 1938, as amended by the Insurance Laws (Amendment) Act, 2015 (1) the policyholder of a life insurance may nominate the person or persons to whom the money secured by the policy shall be paid in the event of death. This nomination can be done when effecting the policy or at any time before the policy matures for payment. Where the nominee is a minor, the policyholder has to appoint a person as per the rules of the insurer, to receive the money on behalf of the nominee.

Any immediate family member (like spouse, children or parents) is made the nominee. They will automatically become the beneficial owners of the claim benefits and be referred to as 'Beneficial Nominee'. This means that the death benefit will be paid to beneficial nominees and not to any other legal heir.

Question: What will happen if the nominee dies before the policyholder?

Where the policy matures for payment during the lifetime of the person, whose life is insured or where the nominee or nominees die before the policy matures for payment, the amount secured shall be payable to the policyholder or heirs or legal representatives of the policyholder bearing a succession certificate.

If the policyholder survives till the maturity, all benefits payable under the policy will be paid to the policyholder. In case the policyholder dies after the maturity of the policy but before getting the proceeds and benefits, then the nominee shall be entitled to the proceeds and benefit of that policy.

It is always advisable to nominate an immediate family member to ensure there are no disputes in future between the nominees and legal heirs. A policyholder can change the nominee as many times as he or she wishes. However, the latest nominee supersedes all previous ones. At the time of nomination, always update the insurance policy to avoid disputes later.

4) Nomination in Mutual Funds

In mutual funds you can nominate up to 3 nominees for single folio and even you can distribute the % of sharing. Nowadays it is mandatory for mutual fund investors to specify whether they want to nominate or not. If they don't want to nominate then they need to declare it by signing. If they want to nominate then they need to declare at least one nominee. Here also nominee(s) to act as the trustee and not vested with ownership rights.

5) Nomination in Shares

Here also nominee will not ownership rights but the legal heirs. Nominee is an important person; he or she has no rights over the money or shares unless that is specified under the will or the nominee happens to inherit the money.

So as such a nominee is a mere custodian of the Shares.

In the event of a person's death, the Depositories could get in touch with the nominee for further instructions to act on the account. At the time of claiming, the nominee will have to give a proof of his identity to the relevant authority.

Chapter 9. Transfer of Title-Immovable and Movable Properties

I. Immovable Property standing in the name of the deceased:

A. How to Transfer the title to one among the legal heir?

It is very important for legal heirs to secure the asset after the death of the person in whose name it is registered.

One need to go through legal formalities to obtain ownership of a property. Formalities may differ based on the nature of the property, individual rights over it, the number of legal heirs and others.

In order to get inherited property transferred in one's name, that person must have substantial proof to claim the rights on the property and inheritance.

In the presence of a Will, the process is relatively simpler; executors are required to administer the property as per the Will.

Documents Required: 1. Property Documents- title deed, Old Title deeds, Encumbrance Certificate, Patti, Tax Receipts, Electricity Bill , Water Tax , House Plan and Permit etc.

2. Will
3. Death Certificate
4. Probate where ever applicable.

Title transfer-When there is no Will

When there is no Will - The plausible and most convenient situation that can arise is that the legal heirs mutually decide amongst themselves and distribute the shares accordingly.

The said distribution can be reduced to writing in terms of a family settlement which can be subsequently registered and the shares be divided in such terms. Typically, in the absence of a Will, appropriate succession laws come into effect.

Documents Required: 1. Property Documents- title deed, Old Title deeds, Encumbrance Certificate, Patti, Tax Receipts, Electricity Bill, Water Tax, House Plan and Permit etc.

2. Succession or Legal heirship Certificate
3. Death Certificate
4. Affidavit
5. Consent Letter from Other Legal heirs.

Important Points:

1. The affidavit along with a no-objection certificate from other legal heirs or their successors to be filed for registration. Any consideration that has been paid to other legal heirs towards settlement should be mentioned in the transfer deed.
2. The process is not complete with the registration of documents in one's name. The next task is to apply for mutation of the property title. It is done to record the transfer of a title of an immovable property from one person to another in land revenue records. This is required for the purpose of payment of property taxes, or to transfer or apply for utility connection in the name of the new owner. It also adds evidentiary value in respect of the title to the property. Mutation of property records takes place at the local competent municipal authority office in whose jurisdiction the inherited property is located. The documents required and the fees for mutation of a property differ from state to state.
3. If there is an outstanding home loan or any other loan against the property, one who is inheriting is required to pay the outstanding amount. However, if the deceased owner had a home loan insurance, the insurer pays off the outstanding. Once the payment is made, the inheritor must collect the loan clearance certificate from the lender and the original documents of the property that were given to the lender to avail the loan. Mortgaged property can be transferred only with the written consent of the lender.
4. Also, if the property inherited has been let out, the inheritor become obliged to adhere to the lease agreement signed between the lessee (the predecessor) and the lessor. "If legal heirs are desirous of continuing the lease, then simply an agreement can be executed with the lessee wherein the lessee acknowledges that by operation of law the legal heirs of the deceased shall thereafter be treated as the new lessor.

B. How to Sell the Property in the name of the deceased?

One should make sure that there are no encumbrances over the property. In case the property is mortgaged to a Bank, No objection Certificate is required from the Bank for sale of the property. On issuing NOC, Bank will ensure that Title deeds are released only after proceeds are deposited with the Bank and the entire outstanding is cleared.

If the title deeds are free from encumbrance the following documents are required for Sale of The property.

a. Original Title Deed conveying the title in the name of the deceased.
b. All other parent title deeds, Revenue records, House Tax, water Tax Receipts, Electricity Bill, Building plan with approval etc.
c. Nil Encumbrance Certificate
d. Legal heirship Certificate
e. All the legal heirs should join together in execution of sale deed and registration. If any of the legal heirs are not available valid POA signed by them is required. If minor interest is involved his interest has to be legally protected.
f. It will be better to get a title opinion from a Layer to give comfort to the purchaser.

II. Vehicle Transfer in the name of the deceased

a. Transfer of ownership in case of death of the registered owner:

The legal heir of the deceased owner has to report to the registering authority within 30 days of the demise of the registered owner and his or her intention to be the owner of the vehicle. The legal heir can use the vehicle for a maximum period of 3 months without transfer of RC.

b. Important Points:

1. The new owner of the vehicle has to submit Form 31 to the registering authority by filling all the details that have been asked in the form.
2. The new owner of the vehicle should submit the form for the transfer of ownership within 3 months of taking actual ownership of the vehicle.
3. The new owner of the vehicle has to make the payment for charges levied by the registering authority for transfer of ownership of the vehicle under Rule 81 of the Central Motor Vehicles Rules, 1989.
4. The legal heir of the insured who is in the custody of the vehicle after the death of the owner should apply for car insurance policy transfer within three months from the date of the death of the insured or until the expiry of the car insurance policy (whichever is sooner

   a. Death Certificate in respect of the insured

   b. Proof of Title to the Vehicle

   c. Original policy
5. Importance of Transferring Ownership of Vehicle of Deceased

One may think it is not important to transfer the ownership of a vehicle belonging to a deceased.

However, not only would this attract penalty by the concerned authority, but the legal heir driving the vehicle would not be able to get any motor insurance benefits. If the vehicle is involved in an accident, the legal heir will have to bear all related costs as well as pay fines for driving without valid vehicle insurance.

In case the person is gravely injured during the accident, he/she may not be eligible for any personal accident benefits either.

c. Documents Required for Transfer of ownership if the owner of the vehicle is deceased:

1. Form 31.
2. Registration certificate of the vehicle.
3. Insurance certificate of the vehicle.
4. Death certificate of the owner of the vehicle who is now deceased.
5. A certificate that verifies the pollution emitted by the vehicle being under control.
6. PAN card of the new owner of the vehicle and Form 60.
7. Copy of Aadhaar card (Date of Birth and Address Proof)
8. Passport size photographs (Two) of the new owner of the vehicle.
9. Legal heirship Certificate
10. Affidavits from the other legal heirs that they had relinquished their rights in favour of the applicant – these affidavits were on printed on stamp paper and notarized

d. Documents Required for Selling the Vehicle in the Name of the deceased

In addition to all the above documents the following additional documents are required

1. Succession certificate or legal heirship Certificate.
2. Clearance of Loan if any. NOC from the Bank or Financial institution to remove hypothecation clause from RC (Form 30 and 31 required)

e. Provision of Nomination Facility for Vehicle Ownership

The Ministry of Road Transport and Highways has made some amendments in the Central Motor Vehicles Rules, 1989 in order to facilitate those who want to nominate a person in their vehicle registration certificate.

This would be helpful if a motor vehicle will need to be transferred in the name of the nominee in case of death of the owner. As per the amended rules, an owner can put the name of a nominee at the time getting his/her vehicle registered. The nominee can also be added later with the help of an online application. The owner of the vehicle will have to submit identity proof of the nominee.

When the owner of a motor vehicle dies, the person nominated by the vehicle owner in the certificate of registration or the one who is succeeding to the

possession of the vehicle can use the vehicle as his/her own for a period of three months from the death of the owner.

For this, the person will have to inform the registering authority about the occurrence of the death of the owner within 30 days of the occurrence of death.

Further, to transfer the vehicle in his or her name, the nominee will have to apply in Form 31 within the period of three months from the death of the owner of the motor vehicle.

In cases where the owner wants to change the nominee of the motor vehicle in case of contingencies like divorce or division of property, s/he may change the nomination with an agreed Standard Operating Procedure (SOP).

III. Gas Connection Registered in the Name of the Deceased

A. Gas Transfer to Family Member

IOC and other Gas Companies allow the transfer of the connection to any family member. To transfer the connection from the father who is the transferor to the son who is the transferee, the following documents have to be submitted to the nearest distributor of the relevant gas company.

a. KYC of the transferee i.e., the son.

b. The transferee has to also submit the identity and address proof documents.

c. The transferee has to provide the SV voucher in his name. If he does not have the SV, an affidavit needs to be submitted.

d. A declaration from the transferee stating the transfer of the connection.

After all the documents that have been submitted by the transferee have been verified, the Gas distributor will make the SV voucher in the name of the transferee.

B. Gas Transfer from Deceased Member to Transferee

If the owner of the Gas connection is deceased suddenly, the connection can be transferred to the legal heir. The following documents need to be submitted:

a. A declaration from the transferee stating the transfer of the connection.

b. A copy of the death certificate of the deceased owner.

c. KYC of the transferee i.e., the son.

d. The transferee has to also submit the identity and address proof documents.

Chapter 10. Inheritance by NRI/OCI/Foreign National Relative

1. How can a Non-resident Indian (NRI) and an Overseas Citizen of India (OCI) can acquire/inherit immovable property in India?

NRI/OCI can Purchase/acquire/inherit any immovable property in India as follows

(i) Purchase (other than agricultural land/farmhouse/plantation etc.) from - Resident in India/NRI/OCI

(ii) Acquire as Gift other than agricultural Land /farm house/plantation etc.) from - Resident/NRI/OCI who is a relative

(iii) Acquire any immovable property as inheritance from-

a. From any person who has acquired it under laws in force (Sec 3c of FEMA)

b. Resident Indian.

2. How can a Non-resident Indian (NRI) and an Overseas Citizen of India (OCI) can sell /transfer the inherited immovable property in India? or any property in India in their name?

NRI/OCI can sell /Transfer any immovable property in India as follows

(i) Sell (other than agricultural land/farmhouse/plantation etc.) to -Resident in India/NRI/OCI

(ii) Sell agricultural Land to- Resident in India

(iii) Gift other than agricultural Land to -Resident/NRI/OCI

(iv) Gift agricultural Land to -Resident

(v) Gift Residential /Commercial property to Resident/NRI/OCI.

Note: NRI refers to a person resident outside India who is a citizen of India

Overseas Citizen of India (OCI) is a person resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7(A) of the Citizenship Act, 1955;

Relative is as defined in section 2(77) of the Companies Act, 2013

3. Whether Foreign National Can acquire immovable property in India? What is the limit for remitting the proceeds abroad?

Foreign nationals of non-Indian origin resident outside India can acquire immovable property in India by way of inheritance from a resident.

Section 6(5) of FEMA states that a person resident outside India may hold, own, transfer or invest in any immovable property situated in India if such property was acquired, held or owned by such person when he was resident in India or inherited from a person who was resident in India.

A person resident outside India (Foreign National) may hold, own, transfer or invest in Indian currency, security or any immovable property situated in India if such currency, security or property was inherited from a person who was resident in India.

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May remit up to USD 1 Million in a financial year

4. What is the limit of sending remittances outside India out of inherited amount?

RBI approval is required if:

(i) Remittance is in excess of USD 1,000,000 (US Dollar One million only) per financial year:

a. on account of legacy, bequest or inheritance to a citizen of foreign state, resident outside India; and

b. by NRIs/ PIOs out of the balances held in NRO accounts/ sale proceeds of assets/ the assets acquired by way of inheritance/ legacy.

All remittances are subject to payment of taxes as applicable in India – Authorized Dealers are to convince themselves on this aspect.

5. What is the procedure if the money required to be sent is above USD 1 million in a FY?

Applicant should approach the designated Authorized Dealer/Concerned Bank Branch through which remittance has to be made. It must be noted that all such remittance in a FY should be routed through the same authorized dealer/Branch. The concerned AD Branch of the Bank would send their recommendation along with the application. Normally such remittance would be carried out by the AD bank branch mentioned in RBI approval.

6. What are the RBI guidelines on sending remittance by NRI/PIO out of sale proceeds of immovable property?

NRIs/ PIOs can remit the sale proceeds of immovable property (other than agricultural land/ farm house/ plantation property) in India subject to the following conditions:

i. The immovable property was acquired in accordance with the provisions of the foreign exchange law in force at the time of acquisition or the provisions of Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations 2018;

ii. The amount for acquisition of the property was paid in foreign exchange received through banking channels or out of the funds held in foreign currency non-resident account or out of the funds held in non-resident external account;

iii. In the case of residential property, the repatriation of sale proceeds is restricted to not more than two such properties.

India or inherited from a person who was resident in India.

7. What are the RBI guidelines on sending remittance out of inheritance of Securities including immovable properties by Foreign National, NRI and PIO?

I. By a Non-Resident Foreign National

As per Section 6(5) of FEMA, a person resident outside India (Foreign National) may hold, own, transfer or invest in Indian currency, security or any immovable property situated in India if such currency, security or property was inherited from a person who was resident in India.

a. A foreign national of non-Indian origin (other than Nepal/ Bhutan/ PIO) may remit such inherited assets up to USD 1 Million in a financial year

b. The person is a non-resident widow/ widower and has inherited assets from her/ his deceased spouse who was an Indian national resident in India. **May remits up to USD 1 Million in a financial year**

II. By and NRI/PIO

1. From the balances of NRO account – subject to declaration

2. Sale proceeds of assets.

3. Assets acquired from legacy/ inheritance/ deed of settlement.

May remit up to USD 1 Million in a financial year

*Where the remittance is to be made from the balances held in the NRO account, the Authorised Dealer should obtain an undertaking from the account holder stating that "the said remittance is sought to be made out of the remitter's balances held in the account arising from his/ her legitimate receivables in India and not by borrowing from any other person or a transfer from any other NRO account and if such is found to be the case, the account holder will render himself/ herself liable for penal action under FEMA."

8. Which are the cases related to Remittance of Assets for which prior approval of RBI is to be sought for effecting the remittance?

Answer: RBI approval is required if:

(i) Remittance is in excess of USD 1,000,000 (US Dollar One million only) per financial year:

a. on account of legacy, bequest or inheritance to a citizen of foreign state, resident outside India; and

b. by NRIs/ PIOs out of the balances held in NRO accounts/ sale proceeds of assets/ the assets acquired by way of inheritance/ legacy.

(ii) Hardship will be caused to a person if remittance from India is not made to such a person.

9. What are the Tax implications in respect of remittance of assets?

All remittances are subject to payment of taxes as applicable in India – Authorised Dealers are to convince themselves on this aspect.

Unquote- To repatriate money outside India, the NRI should approach the Concerned Bank for sending remittance to comply with formalities. For that forms 15 CA and 15 CB may also be required.15CB contains a certificate from a chartered accountant (CA) in India. The CA will issue certificate information or "Form 15CB" which can be downloaded from the Indian government tax website.

Chapter 11. Income Tax Implications on Inheritance and Duty of Legal heirs in Tax Compliance

I. Income Tax implications on Inheritance:

There is no income tax liability on any amount of inheritance. It should be shown as exempted income while filing IT reruns.

Also, nothing will be charged to income tax including Stamp duty if any, in respect of immovable property received, (on or after 01/10/2009) without any consideration, even if the stamp duty value exceeds Rs. 50,000 in the following cases

- under a will/ by way of inheritance; or
- in contemplation of death of the payer or donor.

II. Income Tax on LIC policy proceeds received by the nominee:

a. **Income Tax on Policy Amount**: Income is fully exempted on Maturity/Death Claims proceeds under Section 10(10D).

   As per Section 10(10D) of the Income Tax Act, 1961, any sum received under a Life Insurance Policy, including the sum allocated by way of bonus on such policy is exempt from tax where the sum is received as a death benefit

b. Income Tax Implications on Annuity Receipt**:**

Annuity payment after the life of policy holder by the spouse – will be taxable as other income.

III. Income Tax on retirement benefits received by the Nominee of the deceased Employee**:**

a. **Gratuity payment to a widow or other legal heirs of any employee who dies in active service** shall be exempt from income tax (**Circular No. 573 dated 21.8.90**)

b. **Gratuity received by the legal heir after retirement** - to be treated as other income. Exemption rules apply as a in the case of retiring employees. Fully Exempt for Govt Employees. Other -**Maximum Rs20 lakhs**.(presently)

c. **PF amount received by Nominee-**Fully Exempt.

d. Leave Encashment

   i. Leave Encashment Arrears by the Legal heir of the deceased employee

   ii. Leave encashment received by Central or State Government employee at the time of retirement or resignation is fully exempt

   iii. Leave encashment received by legal heirs of deceased Govt employee is fully exempt

   iv. Leave encashment received by Non-Government employee is exempt up to a maximum of Rs 3 lakh and balance amount if any is taxable as 'income from salary'

e. **Compensation Received by the legal heirs**-any amount received or receivable from the Central Government or a State Government or a local authority by an individual or his legal heir by way of compensation on account of any disaster, except the amount received or receivable to the extent such individual or his legal heir has been allowed a deduction under this Act on account of any loss or damage caused by such disaster.

Explanation. —For the purposes of this clause, the expression "disaster" shall have the meaning assigned to it under clause (d) of section 2 of the Disaster Management Act, 2005 (53 of 2005);

IV. Income Tax Implications on Family Pension:

a. Family Pension is taxable as other income in the hands of the family pensioner. (Exception: family pension of Ex Servicemen who killed in action is fully exempted from Income Tax subject to conditions)

b. Standard Deduction on Family Pension- No standard deduction, as Family Pension is treated as Other income.

c. Income Tax Deduction on Family Pension: Under Sec57(iia) of Income Tax Act- in the case of income in the nature of family pension, a deduction of a sum equal to thirty-three and one-third per cent of such income or fifteen thousand rupees, whichever is less.

Explanation. —For the purposes of this clause, "family pension" means a regular monthly amount payable by the employer to a person belonging to the family of an employee in the event of his death;

V. Filing Income Tax returns on behalf of the deceased**:**

As per the income-tax rules of India, a deceased person's income-tax returns must be filed for the year in which the person died.

According to Section 159 of the Income Tax Act, 1961, if a person dies, the legal representative shall pay the tax due just like the deceased would have file it if he or she was alive.

In case of deceased Tax Payer One of the legal heirs have to register in e filing website of Income Tax India and file on behalf of the deceased person.

In general, the final individual income tax return of a decedent is prepared and filed in the same manner as when they were alive. All income up to the date of death must be reported and all credits and deductions to which the decedent is entitled may be claimed.

According to the laws, the legal heirs will be held responsible for the non-payment of dues of the deceased. There can be proceedings against them.

Legal heirs will also need to surrender the deceased PAN card after all Tax filing formalities are completed. For this, they need to write an application to the assessing officer (AO) under whose jurisdiction PAN is registered. The letter should contain reasons for surrender - the death of the holder, name, PAN, date of birth of the deceased, and a copy of the death certificate.

PAN card has to be surrendered only after completing other tasks like filing returns, closing bank accounts, and transferring other assets. PAN is a key identification document that legal heirs require along with the death certificate for every transaction.

The returns need to be filed in the name of the legal heir and the executor

Legal heir has to pay the income tax liability and file the returns with in the due date to claim refund if any.

Documents required to be uploaded for Legal heir Registration:

All the following documents would also be required to be submitted at the time of registration of legal heir: -

1. Copy of Death Certificate
2. Copy of PAN Card of the deceased
3. Self-attested PAN Card copy of the legal heir
4. Legal Heir Certificate or Affidavit in the presence of a Notary public

For the purpose of Legal Heir Certificate, any of the following documents can be submitted as proof of Legal Heir Certificate: -

- The legal heir certificate issued by the Court of Law
- Surviving Member Certificate issued by the Local Authority
- The family pension certificate issued by the State/ Central Govt
- Letter issued by the Banking or Financial Institution on their letter head, with official seal and signature affixed stating that so and so holding PAN(s), was/were the nominee(s) of the deceased to the account/instrument(s) held in the name of the deceased with the institution and the same was not withdrawn till the death of the deceased

Other Relevant Points

1. There would be no other change in manner of computation of taxes or filing or ITR except from the ones mentioned above. The Return of the deceased would be required to be filed in the same format and at the same time as applicable to people who are alive.
2. The Penalty proceedings can also be initiated against the legal heirs. However, the liability of the legal heir would be limited to the extent of the assets inherited by him from the deceased.
3. If there is only 1 legal heir, he/she can act as a legal representative for the purpose of Income Tax.
4. If there is more than 1 legal heir, they should appoint any one of them as the legal heir for the purpose of filing of Income Tax Return. In case they all want to be registered as legal heir for the purpose of income tax – they can jointly file the income tax return; they should file the return in the capacity of AOP (Association of Persons) or BOI (Body of Individuals)

Chapter 12. Claims and Legal Terms

I. SETTLEMENT OF CLAIMS UNDER NOMINATION — DEPOSIT ACCOUNTS

On the death of the depositor nominee should approach the branch with death certificate along with identification document of the nominee. Claim form either can be obtained from the branch along with the check list of documents to be given or can be downloaded from the website of the bank.

In addition, the nominee must surrender the pass book and cheque book relating to the account or the deposit receipt as applicable. If the pass book, cheque book or deposit receipt is not available with the nominee and the branch is convinced about the bonafides of the nominee, the same can be waived under special circumstances.

An announcement of death in a newspaper, production of a death certificate or a report from a reliable person etc., is sufficient notice of death to act upon, subject to the obten•tion of Death Certificate before settling the claim.

It is advisable to inform the branch concerned about the death of the depositor, before submission of necessary documents.

A claim made by a nominee in an account in respect of which he has been nominated will be settled only by closure of the account and payment of the balance together with interest, where applicable, to the nominee.

Such payments can be made in cash, only if the aggregate amount of the claim including inter•est is below Rupees Twenty thousand only. If the amount of claim is Rupees Twenty thousand and above, as per Section 269(T) of Income Tax Act, the payment will be made only by an Account Payee crossed Bankers Cheque or Demand Draft or by credit to a bank account of the nominee.

This would constitute full and valid discharge of the Bank's liability. The nominee is not entitled to operate the account of the deceased depositor(s) under any circumstance.

Similarly, no loan will be granted to the nominee against the security of the deposit in the name of the deceased customer.

Where the nominee is not a resident of India and it is sought to repatriate abroad the monies in the account of the deceased depositor (s the following points should be kept in mind.

a) A non-resident nominee, of Indian nationality, of a deceased depositor(s) would be entitled to the right of repatriation abroad of funds. Subject to Foreign Exchange Management Act. The proceeds will be credited to the NRO account of the nominee. Repatriation from NRO, without RBI approval is permitted up to equivalent of USD one million per financial year (April-March)

b) However, a non-resident account holder has nominated a resident, no reference to Reserve Bank of India would be necessary for transferring the rupee funds to the resident nominee.

In all cases of claims by the nominee, the branch would request the nominee to produce the death certificate or any other acceptable proof of death of the depositor in respect of whose account the claim is being made.

Upon production of evidence of death of the customer as mentioned, the nominee will be provided with the Claim form. The same should be submitted duly completed.

In order to ensure that the claims are genuine, the nominee must be identified by any of the following Officials:

a) A Magistrate or a Judicial Officer

b) An officer of the Central/State Government not below the rank of a Block Development Officer

c) An officer of Reserve Bank of India or State Bank or a Public Sector Bank other than the Bank of the Customer. (Depends upon each Bank's guidelines)

d) Any two respectable persons acceptable to the Bank.

The Claim Form duly completed above together with the death certificate and documents mentioned in above must be tendered by the nominee to the branch for settlement of the claim.

After verifying the documents submitted by the nominee, the branch will ensure that:

a) the nomination in favour of the claimant is in force and there is no variation or cancellation.

b) that there is no lien on the monies claimed and that there is no liability outstanding against the deceased customer that would necessitate the exercise of the Bank's right of set-off against the monies claimed.

c) that no order of any court has been received restraining payment of the amount to the nominee.

d) if the claim is for amounts lying in a Savings Bank Account of a deceased pensioner, branch would ensure that no pension payment has been made for the period subsequent to the death of the pensioner.

Amounts held in Term Deposits may be paid to the nominee (after satisfying the above formalities for the claim) by foreclosing the deposit before maturity if the nominee so desires without applying the penalty applicable for premature closure. If the nominee wants the money to be paid on maturity, the branch will do so.

Interest on amounts held in term deposit accounts in the name(s) of the deceased depositor(s) may be paid to the nominee in the manner indicated below:

Interest on amounts held in term deposit accounts in the name of the deceased depositor(s) may be paid to the legal heirs/representatives of the deceased depositor in the manner indicated below:

(a) at the contracted rate on maturity of the deposit;

(b) at the appropriate rate for the period for which the deposit has remained with the Bank, without charging penalty in the case of payments claimed before maturity date of the deposit;

(c) In the event of death of the depositor before the date of maturity of the deposit and the amount of deposit is claimed after the date of maturity, the interest should be paid at the contracted rate till the date of maturity. From the date of maturity to the date of payment, simple interest is to be paid at the applicable rate operative on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity. However, in the case of death of the depositor after the date of maturity of the deposit, interest should be paid at Savings Deposit rate (operative on the date of maturity) from the date of maturity till the date of payment.

(d) In the case of FCNR and NRE deposits, where the deposit is claimed after the date of maturity of the deposit, interest should be paid at the contracted rate till the date of maturity. From the date of maturity till the date of settlement of the claim, interest as permissible under the directive of interest rate on FCNR/NRE deposits operative on the date of maturity of the deposit should be paid.

(e) Interest should be paid at the rate of interest applicable in respect of Savings Bank accounts, from the date of death till the date of settlement of claim in the following cases

i) Credit balances lying in the Savings Bank accounts of individual depositors;

ii) Credit balances lying in the current/cash credit accounts of individuals;

II. SETTLEMENT OF CLAIMS WHERE NOMINATION HAS NOT BEEN OBTAINED

SETTLEMENT OF CLAIMS

The disposal of the assets held on account of deceased constituents could be done by way of:

a) Settlement of claims in favour of the nominee where Nomination has been obtained

b) Settlement of claims against legal representation such as:

(i) Succession Certificate

(ii) Letters of administration

(iii) Probate of the Will of the deceased constituent

c) Settlement of claims (not supported by legal representation) against indemnity. Branches normally will not insist for production of Succession Certificate by the legal heirs of the deceased depositor irrespective of the amount involved for deposits and credit balances held in the name of the deceased depositors and can settle such deposits and credit balance, subject to the norms and satisfaction of the bank.

III. SETTLEMENT OF CLAIM WITHOUT LEGAL REPRESENTATION AND WITH LEGAL REPRESENTATION

Each Bank Branch is vested with discretionary powers according to the grade of the branch Manager.

All the claims will be sanctioned at the appropriate level concerned. When the claim is supported by legal representation such as Succession Certificate, Letters of Administration, Probate of the Will of the deceased, etc., the concerned the Regional Office of the Bank or the Branch Manager has powers to admit the claim irrespective of the amount involved.

III. a**.** CLAIMS SUPPORTED BY LEGAL REPRESENTATION

a) prescribed claim form to be submitted

b) Legal representation in original or a true copy of it duly attested by the Branch Manager, who should personally compare the copy with the original before attesting it. Legal representation would mean any of the following:

i) Letters of Administration or

ii) Probate of the Will of the Deceased or

iii) Certificate issued by Administrator General or

iv) Succession Certificate

c) Letter of Administration for gold ornaments held as security for loans, articles in safe custody, articles in safe deposit lockers.

Note- Whenever the claim is supported by legal representation, Banks will not insist upon production of death certificate, legal heirship certificate and affidavit.

III. b. CLAIMS NOT SUPPORTED BY LEGAL REPRESENTATION

WHERE THE CLAIM HAS BEEN MADE WITHOUT LEGAL REPRESENTATION BUT ON THE BASIS OF THE CLAIM PAPERS SUPPORTED BY INDEMNITY

In cases of waiver of legal representation, the following points/aspects will be verified by the Bank.

a) What is the religion of the deceased - was he/she a Hindu, Christian, Mohammedan or a Parsi or belonging to any other religion?

b) If the deceased was a Hindu, did he/she die leaving a Will or died intestate (i.e., without leaving a Will)?

c) If there is no Will left by the deceased, then the legal heirs will be determined according to the law applicable to the reli•gion of the deceased. Whether the claimants are entitled to make the claim is to be decided with reference to their being admitted as legal heirs by the applicable law.

IV. COMMON DOCUMENTS FOR ALL CLAIMS IRRESPECTIVE OF THE AMOUNT

a. Claim form duly filled in and signed by the claimant(s)

b. Death Certificate in original issued by Corporation/Municipality/Panchayat Union Office/ Village Munsiff/Village Administrative Officer.

c. Consent letter from the legal heirs other than the claimant(s) authorising payment to be made to the claimant(s) as per prescribed format.

d. Consent letter authorising the claimant(s) to receive the amount/articles on behalf of the executant(s).

e. However, at the time of settling the claim, the Indemnity has to be signed by all the legal heirs including the claimant(s). To avoid this difficulty, the legal heirs other than the claimant(s), if they so desire, may give a consent letter

   - cum-Power of Attorney as per prescribed format for each Bank, so that the claimant(s) alone can sign the receipt and Indemnity for self and as Power of Attorney holder of other legal heirs executing the Power of Attorney.

d. A letter from the guardian of a minor legal heir confirming utilisation of minor's share for the benefit of the minor in the prescribed format, if any minor's share is involved.

e. Where the deceased was a Mohammedan. certificate from MUSLIM JAMA- I-ETH is required.

f. Where the deceased was a Mohammedan and where the branch is definite beyond doubt about the genuineness of the claim, bonafides of the claimant(s) and details of all the legal heirs of the deceased, a Certificate from the MUSLIM JAMA-I-ETH in their letterhead, signed by the head of the institution to which the deceased was affiliated would be insisted upon.

g. Such certificate should give details of subject, details of the legal heirs with their age. In case the deceased was a Mohammedan Male, a categorical certificate to the effect that the deceased had not married any woman other than the one(s) named in the list, should be obtained.

h. Legal heirship certificate, where possible, should be obtained from concerned Revenue authorities within whose jurisdiction the deceased lived.

i. Consent letter(s) from the other legal heirs to pay the amount/deliver jewels etc., to the claimant(s) are to be duly attested either by the Magistrate or Notary or a Gazetted officer of the Central/State Government or an advocate or by the Branch Manager if the executants are known to him/her.

   If the Branch Manager or Advocate or Gazetted Officer attests the consent letter, he/she should state that the signatories were present before him/her and signed in his/her presence

j. Joint stamped receipt after settlement of claim by all legal heirs. In case if consent letter cum Power of Attorney as per prescribed format is obtained, claimant(s) alone can sign receipt.

V. CLAIMS SUPPORTED BY PROBATE/LETTER OF ADMINISTRATION

V. a. **Probate or Letter of Administration is legally mandatory to act upon the Will if the Will was executed by:**

(i) Indian Christians

(ii) Hindus, Buddhists, Sikhs, Jains and Parsis:

a) Within the provinces of Bengal, Bihar, Orissa and Assam or Within the city limits of Bombay, Madras and NCR of Delhi

OR

b) Outside the limits of those cities but relating to the immovable properties situate within the limits of those cities.

V. **b**. Probate or Letter of Administration is not legally mandatory to act upon the Will, if the Will was executed by:

(i) Mohammedans

(ii) Hindus, Buddhists, Sikhs, Jains and Parsis

(a) Outside the provinces of Bengal, Bihar, Orissa and Assam or the city limits of Bombay and Madras

Or

(b) Outside the limits of those provinces and Outside the limits of those cities and relating to immovable properties situate outside the limits of those provinces and outside the limits of those cities.

VI. CLAIMS BASED ON WILL

a) In case of claims based on Wills, branches will insist for a Letter of Administration / Probate irrespective of the amount involved in respect of claims based on a Will the probate of which is legally mandatory.

b) Branches normally will not insist for a Letter of Administration/Probate irrespective of the amount involved in respect of the claims based on a Will the Probate of which is not legally mandatory.

c) In respect of claims based on Will - Banks will

(i) Obtain a consent cum no objection letter to be executed before a Notary Public from all the legal heirs irrespective of the fact whether the deposit/ credit balance is bequeathed to any one or more or to all the legal heirs or to any person(s)/ who is(are) not legal heir(s) and recommend for set•tlement of claim based on the Will waiving Letter of Administra•tion or Probate.

(ii) However, if all or any one of the legal heirs refuse to give such a consent cum no objection letter, branches would insist for a Probate or Letter of Administration irrespective of the amount involved. This Notarised consent cum no objection letter should be obtained in addition to regular claim papers such as Indemnity, prescribed Claim form, Consent letter etc.

Branches are at liberty to insist on production of Succession Certificate, Letter of Administration or probate from legal heirs of the deceased depositors for settlement of deposits and credit balance, articles in safe custody/ safe deposit lockers and pledged jewels held as security, irrespective of the amount involved, whether the claim is based on Will or not, where there are disputes among the legal heirs/ claimants or all the legal heirs do not join in indemnifying bank by executing indemnity bond.

In some cases, the amount mentioned in the court orders, viz. Succession Certificate/Letter of Administration / Probate, may be lesser than the amount to be paid to the claimant(s). If the difference is only due to the accrual of interest, the claimant is entitled to such portion of interest also and banks may include the same in the claim amount to be settled.

However, in case, certain deposits amounts only are mentioned in these documents and the other deposit amounts held by the deceased depositor are left out, bank would settle only the amount mentioned in the Court order with interest and call for an extension certificate in respect of the amounts left out.

VII. ARTICLES IN SAFE CUSTODY / SAFE DEPOSIT LOCKER AND PLEDGED JEWELS

In the case of jewels under pledge/articles in safe custody/Safe Deposit, the proper form of legal representation is either Letter of Administration or a Probate where there is a Will.

This is so under Section 370 of the Indian Succession Act. A Succession Certificate can be granted only in respect of debts and securities and not for any kind of property. It cannot be granted in respect of ornaments pledged by the deceased with the Bank by way of security for the debt which the bank had advanced as it is not the debt due from the bank and for articles entrust•ed with bank for safe custody/safe deposit locker. Normally Banks may not insist On Letter of Administration or Probate to release articles in safe custody / safe deposit lockers and pledged jewels to the extent of the value not exceeding Rupees Twenty-five thousand. (This Limit depends upon the Bank and as per extant guidelines).

For obtaining Letter of Administration/ Probate or for submission of claim papers for admittance of claim without production of legal representation an Inventory of the articles in Safe Custody and Safe Deposit Lockers would be made by the Manager in the presence of the legal heirs, two independent witnesses and the bank officials.

In doing so, any sealed packets would not be opened and should be noted in the inventory list as such.

VIII. IMPORTANT POINTS

Upon the death of the sole depositor in the case of deposit in the name of an individual, or upon the death of one or all of the depositors in a deposit in the names of two or more individuals, the name(s) of the deceased depositor(s) in the deposit cannot be substituted by the name of the nominee. The name of the nominee cannot also be added to the name(s) of the surviving depositor(s). In other words, under no circumstance, can a branch permit the nominee to become the depositor under the same account. The role of the nominee is only to receive the proceeds of the deposit in the event of death of all the depositor(s).

Similarly, granting of a loan to a nominee against the deposit standing in the name of the deceased.

By making payment of the deposit amount to the nominee, the bank gets a good and valid discharge. It is entirely the responsibil•ity of the nominee to account the money with the legal heir(s) of the deceased and bank is in no way concerned with it.

If the nominee so desires, a deposit can be accepted from him/her, even though such deposit may be made by the nominee out of the proceeds of the deposit of the deceased customer, after the claim has been settled in favour of the nominee. Such depos•its should not be construed as the funds of the deceased deposi•tor and hence loans can be granted by the bank against the secur•ity of such deposits in the name of the nominee, (now turned depositor).

IX. LEGAL HEIRS

The legal heirs and their order of priority for settlement of claims under each religion viz. Hinduism, Christianity, Islam, Zorastrianism (Parsi) or any other religion are given below

If the deceased was a male Hindu who died intestate the following are the legal heirs in the order of preference:

CLASS I LEGAL HEIRS

"Son; daughter; widow, mother; son of a pre-deceased son; daugh•ter of a pre- deceased son; son of a pre-deceased daughter; daugh•ter of a pre-deceased daughter; widow of a pre-deceased son; son of a pre-deceased son of a pre-deceased son; daughter of a pre-deceased son of a pre-deceased son; widow of a pre-deceased son of a pre-deceased son."

CLASS II LEGAL HEIRS - (In the absence of Class I Legal Heirs)

Entry 1. Father.

Entry 2. a) Son's daughter's son (b) Son's daughter's daughter c) brother (d) sister Entry 3. a) daughter's son's son (b) daughter's son's daughter c) daughter's daughter's son (d) daughter's daughter's daughter

Entry 4. a) brother's son (b) sister's son c) brother's daughter (d) sister's daughter Entry 5. a) father's father (b) father's mother

Entry 6. a) father's widow (b) brother's widow Entry 7. a) father's brother (b) father's sister Entry 8. a) mother's father (b) mother's mother Entry 9. a) mother's brother (b) mother's sister

NOTE: The heirs in class I shall take simultaneously to the exclusion of all others and those in the first entry in class II shall be preferred to those in the second entry and so on in succession.

If the deceased was a female Hindu, the following are the legal heirs if she was married, in the order of priority;

a. Sons and daughters (including the children of any predeceased son or daughter) and the husband
b. Heirs of the husband
c. Mother and father
d. Heirs of the father
e. Heirs of the mother.

Any property inherited by a female Hindu from her father or mother shall devolve in the absence of any son or daughter, upon the heirs of the father. On the other hand if any property inher•ited by a female Hindu from her husband or father-in-law shall devolve in the absence of any son or daughter, upon the heirs of her husband.

If the deceased was a Hindu female spinster, the following are her legal heirs in order of preference.

a. Mother and father
b. Heirs of the father
c. Heirs of the mother

If the deceased was a Christian, the intestate succession is governed by Indian Succession Act, in terms of which the follow•ing legal heirs take the shares:

a). If the intestate has left a widow, one third shall belong to the widow and the remaining two-thirds shall go to the lineal descendants (sons and daughters) in equal shares.

b). If the intestate has left no lineal descendants, one half shall go to the widow, and other half shall go to the kindred in the order mentioned below:

c). If the intestate has left no widow, his property shall go to his lineal descendants in equal shares.

The order of succession among the kindred is as follows:

1. If the intestate's father is living, he shall succeed to the property.
2. If the intestate's father is dead but intestate's mother is living and there are brother(s) and sister(s), the mother and each living brother(s) and sister(s) shall succeed to the proper•ty in equal shares.
3. If the intestate's father is dead and there is neither brother nor sister nor child/children of any prede-ceased brother(s)/sister(s), the property shall belong to the mother in such a case.
4. If the intestate is not survived by parents the property shall be divided equally among the brother(s) and sister(s) including child/children of any predeceased brother or sister.

Note: 1. A husband surviving his wife has the same right as a widow has.

2. The child/children of any predeceased son/daughter/brother/sister shall succeed only to the share of such predeceased son/daughter/brother/sister in the property of the intestate.

3. Those in one entry are preferred to those in the subsequent entries.

If the deceased was a Parsi intestate, his property shall be divided as follows:

I. (a) Where he dies leaving a widow and children, among the widow and children, so that the share of each son and of the widow shall be double the share of each daughter

or

(b) Where he dies leaving children but no widow, among the children, so that the share of each son shall be double the share of each daughter.

II. Where a male Parsi dies leaving one or both parents in addi•tion to children or a widow and children, the property of which he dies intestate shall be divided so that the father shall receive a share equal to half the share of a son and the mother shall receive a share equal to half the share of a daughter.

The property of a female Parsi dying intestate shall be divided as follows:

a) Where she dies leaving a widower and children among the widower and children so that the widower and each child receive equal shares

or

b) Where she dies leaving children but no widower, among the children in equal shares.

If the deceased was a Mohammedan, male or female, succession in the absence of a will is governed by the law of the Sect, Sunny or Shia to which the deceased belonged. The shares which each legal heir would get would vary according to the sect to which the deceased belonged and the number of legal heirs available. As the demarcation of relative share of a legal heir is difficult to ascertain in the absence of thorough knowledge of the law of the Sect and full details of all legal heirs available, we normally insist upon a succession certificate unless the amount involved is small and bonafides of claimants are beyond all doubt.

Chapter 13. Characteristics of a Will and common Legal Terms What is A Will?

A Will is a document which divides and transfers property after one's death to the people or institutions chosen in the document. It is generally made to distribute the property and assets of the person. A will can also be made in case where there are children (minor), and the question of their guardianship comes up.

A Will is a document, considered as a legal declaration of the intention of a Testator about the distribution / disposal of his possessions / assets / properties etc. after his death. The Will would specifically have details of all considerations that the Testator has in mind, to carry out his wish in this regard, after his death.

Who can write a Will?

- A person who has assets and desire those assets to be inherited by certain specific persons, can write a will;
- He / She should be a Major i.e., 18 years of age or more;
- Should have a sound disposing mind; & Should not otherwise be debarred from making a Will by any competent authority.

What is meant by Probate of a will?

It is the certified copy will under the seal of competent court allowing the administration of the estate of the maker.

According to Section 2 of the Indian Succession Act, 1925, Probate means "the copy of a Will certified under the seal of a court of competent jurisdiction with a grant of administration of the estate of the testator".

It is nothing but a decree passed by a competent court declaring the legality/correctness and genuineness of the Will of the deceased

The legal process that takes place after a person has died, to pay his lawful creditors and to transfer his assets to his beneficiaries is called probate.

Generally, a probate is advisable in all cases and is necessary in cases of will dealing with immovable property.

Is probate of will is mandatory?

A probate is mandatory when a Will is made in the State of West Bengal, Bihar, Orissa, Assam, NCR of Delhi and municipal limits of metro cities of Chennai and Mumbai, respectively.

Wills that are made outside these territories but where the property is situated in these territories also require a probate.

Under Section 212(2) of the Indian Succession Act, 1925, Hindus, Muslims, etc. are not bound to apply for letters of administration (Probate). It is optional and not mandatory for these persons to seek probate of the Will.

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So, unless covered by any of the above cases, a probate of a Will is not mandatory.

However, there is no restriction in law to get a probate of a Will, even if it is not mandatory.

Obtaining a probate is advisable, in cases where there is a probability of the validity of the Will being contested in future on any ground.

A probate, though it takes time to obtain and may cost a tiny percentage of the inheritance (court fees + the lawyer's fees), is essential, if there are multiple assets to handle, and those immovable properties are present in various states.

Also, a probate, a completely fool-proof way of the handling high-value properties.

Is it necessary to Register the Will? Is unregistered will is valid?

All wills need not be registered. Registration of a will simply means that the maker of the will and the witnesses have appeared before the registering authorities and that their identity has been verified.

Registration of instruments is governed by the Registration Act, 1908. Under this Act, a will is not needed to be registered, and an unregistered will is also valid.

Though Registration of a Will is not mandatory, it is advisable to register the Will at the Sub Registrar office to add to its authenticity.

There is no stamp duty payable on Registration of the Will. However, applicable registration charges have to be paid

Both registered and unregistered will can be probated.

When and how to get the will probated?

The probates are granted to the executor or executors (in succession, in case more than one is named), by the High Court, with a copy of the will attached.

One can apply for a probate after seven days of the death of the Testator. (or the person who makes the will and also the owner of the property to be distributed).

The application for probate, need to make with the help of a lawyer or an advocate, to the High Court, under whose jurisdiction the property might fall.

What are the characteristics of a Will and its requirements?

The Will document should have:

- All necessary identifiers of the Testator should be mentioned in the Will. This includes but not limited to Name, Age, Religion, Address etc.
- A declaration made by Testator to the effect that the present Will is his/her last Will and all other earlier Wills and Codicils are hereby revoked.
- Clear information about who are the beneficiaries and what is their relationship with the Testator as well as what assets will be given in what proportion to which beneficiary.
- Specific special clauses which will make a specific beneficiary eligible or non-eligible to inherit the share of the assets of the person (Testator) and conditions, qualifications for the same.
- Mention about the Will to take effect after the death of the Testator and if necessary, also mention about who will be responsible for the execution of the Will (Executor's name).
- A Will must be attested by minimum two persons as witnesses who shall put their signatures in presence of the Testator

  And the Testator should sign the Will in the presence of the witnesses. Beneficiaries cannot be the witness.
- Will can be modified or altered at any time and any number of times by the Testator during his life time.

- Will is revocable during the lifetime of the Testator. As long as a Testator is living, he may, at any moment, cancel his Will and make a totally different disposition of his properties.

Who are the parties to a Will?

- Testator is the person who declares his wish in the Will regarding the disposal of his properties after his demise.
- Executor/s is/are appointed by the Testator, to ensure that the assets are distributed as desired by him/ her in the Will. (Optional)
- Beneficiary/ies is / are the person/s to whom the benefits are passed through the Will.
- Witnesses–Two persons.

Who can be a witness to the Will?

Witness to the Will can be anyone who is/ are above 18 years of age and of sound mind and capable to enter into a Contract. It is recommended that the beneficiary/ies should not be the witness to the Will.

How many witnesses are required?

There should be minimum Two witnesses to the Will.

What all assets can be covered under the Will?

All movable as well as immovable assets including Real Estate, Fixed Deposits, Money in Bank Account(s) Securities, Bonds, proceedings of Insurance Policies, Retirement benefits, Art, precious metals (Gold, Silver etc.), Brands, Goodwill, digital assets (photographs, sketches, blogs, websites, email accounts such as Gmail, yahoo etc. and with social websites such as Facebook, Twitter etc.)

and Intellectual Property Rights etc. including what they are and the method and manner of their storage, can be covered under the Will. In short, any assets that the Testator has in his ownership, at the time of his death can be included and distributed as per the desire of the person.

Who all can be included as beneficiaries to the Will?

All the Testator's loved ones who may include the Testator's spouse, children, step-children, parents, grandparents, grandchildren, friends, relatives and /or any institution like School/s, Temple/s, Community Trust/s, Charitable Trust/s, etc. to whom the Testator wishes to pass on any benefit can be included as the beneficiary/ies in the Will document.

. Do I need to sign my Will in front of the doctor?

No. However, it is advised that you attach a fitness certificate from your family doctor along with the Will attesting the soundness of mind.

Is Will required to be printed on a stamp paper?

No; the Will can be written on plain paper of any convenient size. It is also not necessary that Will has to be written on legal size paper. In addition, the Will can be hand written and is not necessary to be in typed form. However, for clear legibility and avoid any ambiguity arising due to hand writing, typing in a font size which is naturally readable, is recommended.

Can the Testator bequeath/mention the ancestral Immovable Properties (Assets) situated in India?

The Testator should not bequeath/mention any ancestral property /assets not owned by him, unless such property or a share in such property has devolved upon him / come to his possession legally by following due process of law.

Can the Testator bequeath /mention the Immovable Properties (Assets) situated outside India?

No, Testator cannot bequeath/mention the details of the Immovable properties (assets) held outside India. The properties held and owned outside India are governed by the laws of that country where the property is situated and hence, it is advisable to prepare a separate Will for the assets held outside India in accordance with the laws applicable in that country.

Who can be appointed as an Executor to a Will?

Anyone who is / are above 18 years of age and of sound mind and capable to enter into a Contract, can be appointed as an Executor/s to the Will.

One can appoint multiple Executors, one as a primary executor and others as alternate executors.

The Testator has the option to appoint any of his relatives or friends as Executor and mention it in the Will Document.

If the Testator chooses to appoint a professional agency as an Executor, these services are separately availed and paid for as per the terms of the agency who is appointed as an Executor.

Executor is appointed in will. To act as Executor, will has to be probated.

If a person dies intestate or there is no Executor appointed in will, Court will grant letter of Administration, to deal with the estate of the deceased.

Common Terms associated with the Will writing process Intestate:

A person who dies without leaving a "Will" is said to have died intestate; as per the applicable personal law of the deceased, all his legal heirs, are entitled to the assets of the deceased.

Testator:

A person who makes and executes a Will is called the Testator

Will / Testament:

A written statement of Testator's wishes providing for the disposition of his / her property after his/her demise.

Beneficiary:

A person, who is entitled to the asset under a "Will" is called a beneficiary. Any person can be a beneficiary, including a

Charitable organization or even a public or a private Trust.

Minor:

(i) any person, subject to the Indian Majority Act (Section 9), 1875 who has not attained his majority within the meaning of that Act, and any other person who has not completed the age of eighteen years;

(ii) a person who person or property, or both, a guardian under the Code of Civil Procedure, 1908 has been declared or appointed, then he shall be deemed to have attained his majority on completion of his age of 21 years and not before;

(iii) and "minority" means the status of any such person.

Attestation of / attesting a Will**:**

Attestation means signing a document for the purpose of testifying the signature of the Testator

Executor:

A person, who is appointed to look after, administrate and distribute the assets of the Testator, upon his demise, is called an Executor.

Probate:

It is a process to establish that a "Will" is valid. It is understood as an order given by the Hon'ble Court, certifying the "Will" as valid.

Letters of Administration:

A letter of administration is an order granted by the Court to a person appointed to settle deceased persons affairs in accordance with a Will where the Testator has failed to appoint an Executor under a Will or where the Executor is appointed under a Will refuses to act or has died before or after proving the Will but before administration of the estate or in case of intestacy.

Codicil:

A codicil is a document that is executed by a person who had previously made his or her Will, to modify, delete, qualify, or revoke provisions contained in it.

A Codicil is a part of the existing Will similar to an addendum but is not a new Will.

Succession Certificate:

An Order issued by an Hon'ble Court certifying the person(s) entitled to the estate of a deceased person and extent thereof.

Chapter 14. Check List for Legal heirs

After the initial shock of sudden loss of the family member and after the grief period the legal heirs have to accept the reality and should move forward to fulfil the desire of the deceased duly upholding the cherished values of the deceased. Though it may look unpleasant or little bit awkward to discuss financial issues, it is better to realize that certain things cannot be postponed forever. Also, it will be difficult to get the assembly of legal heirs or other stake holders to discuss, sort out and execute certain documents. The important to do list is as follows

1. If the spouse of the deceased is alive, it is the first and foremost duty of the Son/Daughter, Children to give comfort and assurance that they will stand by the parent to take care of their interest
2. At any cost, please avoid confrontation or discussion as who has to look after the parent in the changed circumstances.
3. Try to sort out financial issues amicably.
4. Get the death certificate of the deceased. Check the name, age and other particulars are correct, try to incorporate Aadhaar number in death certificate if possible. Also, it is better to get the correct cause of death mentioned in the death certificate. This is important in case of Serving employees who died due to Covid 19. Front line Workers and employees of certain organizations can get insurance benefits and other special compensation, if the death is due to pandemic illness. Get as many copies of Death Certificates (original) depending upon the need, the number of legal heirs, Investments in the name of the deceased.
5. If the parent is capable of handling financial issues, just support him/her to deal with the financial assets left by the deceased.
6. In case both parents are not alive, entrust the task of gathering information of financial assets and other documents either to the elder in the family or the heir who is living in the place of deceased and capable of getting things done.
7. If there is any Will and it needs to be probated take the help of a legal counsel.
8. Take action to get the legal heirship Certificate.
9. If there is Vehicle in the name of the deceased-it requires priority in action. Inform Concerned RTO about the death of the vehicle owner.
10. Inform the Ex-employer of the deceased.
11. Certain organizations reimburse funeral expenses. Check and comply with the requirements.
12. Inform the Banks where the deceased was having account. If the deceased took Group Life Insurance linked to Bank account, check and claim the same with in the stipulated period.
13. In case of accidental death, check and Bank account linked group accidental death cover is available.

14. Also, for accidental deaths, Cover is available in Certain debit and credit cards. Check and apply for the same.

15. For death occurred due to accident on road or involving Motor Vehicles, make claim under Motor Vehicles Amendment Act. (2019)

16. Check the number of insurance policies of the deceased and take action to claim the policy benefits under each policy. Check for any annuity policy and claim pension benefits on that. Inform the Insurance Companies about the death of the policy holder.

17. If the spouse is eligible for family pension apply for the same.

18. Have a discussion and plan as how to apportion the assets of the late individual.

19. In case some of the legal heirs are likely to go abroad and may not be available for execution of certain documents it is preferable to get a Registered Power of Attorney favouring the local legal heir. This will help in settling Bank Accounts and other dues.

20. Make sure to comply with income Tax provisions. For inheritance though the income is exempted, documentary evidence needs to be kept. If the deceased was income assessee take action to comply with Income Tax formalities like remittance of tax and filing ITR on behalf of the deceased.

Annexure -I

Important Medical Information: Name Updated on……

1 Name

2 Age

3 DOB

4 Address

a Permanent

b Local

5 Contact Numbers

a Mobile

Spouse

Son

Daughter

House

DIL/SIL

Close Friend

6 Blood Group

7 Existing Health Issues

Important Medical Information Name-

8 Known Allergic Medicines

9 Surgeries Underwent

10 Current Medication

SOS

11 Family Doctor Name-Contact No

12 Doctors Treating/Treated Name-Contact No

Annexure II- Some Important RBI guidelines on Bank Accounts

I. Repayment of Term/Fixed Deposits in Banks

A. Joint accounts-E or S clause

Some banks insist on the signatures of both the depositors to allow repayment of money in fixed/term deposits, though the deposit account is opened with operating instructions (sometimes called 'repayment instructions'), 'Either or Survivor' or 'Former or Survivor'. Such insistence on the signatures of both the depositors has the effect of making the mandate given by the depositors redundant. This, in turn, results in unjustified delays and allegations of poor customer service.

1. It is clarified that if fixed/term deposit accounts are opened with operating instructions 'Either or Survivor', the signatures of both the depositors need not be obtained for payment of the amount of the deposits on maturity. However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.
2. In case the mandate is 'Former or Survivor', the 'Former' alone can operate/withdraw the matured amount of the fixed/term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the fixed/term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.
3. If the joint depositors prefer to allow premature withdrawals of fixed/term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor', as the case may be, it would be open to banks to do so, provided they have taken a specific joint mandate from the depositors for the said purpose. In other words, in case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, banks are permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.
4. It has come to our notice that many of the banks have neither incorporated such a clause in the account opening form nor have they taken adequate measures to make the customers aware of the facility of such mandate, thereby putting the "surviving" deposit account holder(s) to unnecessary inconvenience. Banks are, therefore, advised to invariably incorporate the aforesaid clause in the account opening form and also inform their existing as well as future term deposit holders about the availability of such an option.
5. The joint deposit holders may be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term / tenure of the deposit. If such a mandate is obtained, banks can allow premature withdrawal of term / fixed deposits by the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint deposit holder. It is also reiterated that such premature withdrawal would not attract any penal charge.
6. When a fixed deposit account is opened in the joint names of two depositors on 'Either or Survivor' basis and the said joint depositors already have a savings bank account in their names jointly on 'Either or Survivor' instructions, on maturity of the fixed deposit, proceeds of the matured fixed deposit can be credited to the joint savings bank account already opened in the bank. There is no need for opening a separate savings bank account in the name of the first depositor for crediting the proceeds of the fixed deposit.

B. Accounts with Survivor/Nominee clause

In the case of deposit accounts where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the payment of the balance in the deposit account to the survivor(s)/ nominee of a deceased deposit account holder represents a valid discharge of the bank's liability provided:

a. the bank has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence;

b. there is no order from the competent court restraining the bank from making the payment from the account of the deceased; and

c. it has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.

It may be noted that since payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee and would, therefore, invite serious supervisory disapproval. In such case, therefore, while making payment to the survivor(s) / nominee of the deceased depositor, the banks should desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, **irrespective of the amount** standing to the credit of the deceased account holder.

C. Accounts without the survivor / nominee clause

In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), banks are required to adopt a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person. In this context, banks may, keeping in view their risk management systems, fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity.

D. Interest payable on the deposit account of deceased depositor

In the case of a term deposit standing in the name/s of

i. a deceased individual depositor, or

ii. two or more joint depositors, where one of the depositors has died the criterion for payment of interest on matured deposits in the event of death of the depositor in the above cases has been left to the discretion of individual banks subject to their Board laying down a transparent policy in this regard.

In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest should be paid only from 1st May, 1983, or from the date of death of the depositor, whichever is later, till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

II. Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account, banks should obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, banks could consider adopting either of the following two approaches:

The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri , the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

OR

The bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark “Account holder deceased” and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

III. Inoperative Accounts: How to claim the balance standing in the name of the deceased depositor? -RBI guidelines

In cases of Inoperative and Unclaimed Deposits if any standing in the name of the deceased depositor, the nominee or legal heirs can approach the Bank with the relative passbook/Deposit receipts and submit the claim form with id documents to claim back the money lying in Inoperative/Unclaimed deposits account.

The following are RBI guidelines

In operative accounts/Unclaimed Deposits

A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of two years.

The account should be treated as operative account as long as the interest on Fixed Deposit account and/or dividend on shares is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account and/or dividend on shares, whichever is later, provided there is no other customer induced transaction.

There should not be any charge for activation of inoperative account.

Interest on savings bank accounts should be credited on regular basis whether the account is operative or not. If a Fixed Deposit Receipt matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest.

The amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to The Depositor Education and Awareness Fund . **within a period of three months from the expiry of the said period of ten years.**

The depositor/Legal heir would, however, be entitled to claim from the bank her deposit or any other unclaimed amount or operate her account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

Display list of Inoperative Accounts: **Banks should display the list of unclaimed deposits/inoperative accounts which are inactive / inoperative for ten years or more on their respective websites.**

Banks should also give on the same website, the information on the process of claiming the unclaimed deposit/ activating the inoperative account and the necessary

forms and documents for claiming the same. Banks are required to have adequate operational safeguards to ensure that the claimants are genuine.

IV. Interest payable on the deposit account of deceased depositor

In the case of a term deposit standing in the name/s of

i. a deceased individual depositor, or

ii. two or more joint depositors, where one of the depositors has died, the criterion for payment of interest on matured deposits in the event of death of the depositor in the above cases has been left to the discretion of individual banks subject to their Board laying down a transparent policy in this regard.

In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest should be paid only from 1st May, 1983, or from the date of death of the depositor, whichever is later, till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

V. RBI guidelines on Nomination in Safe Deposit Lockers

As regards lockers hired jointly, on the death of any one of the joint hirers, the contents of the locker are only allowed to be removed jointly by the nominees and the survivor(s) after an inventory was taken in the prescribed manner. In such a case, after such removal preceded by an inventory, the nominee and surviving hirer(s) may still keep the entire contents with the same bank, if they so desire, by entering into a fresh contract of hiring a locker

Access to the safe deposit lockers / Return of safe custody articles to Survivor(s) / Nominee(s) / Legal heir(s)

For dealing with the requests from the nominee(s) of the deceased locker-hirer / depositors of the safe-custody articles (where such a nomination had been made) or by the survivor(s) of the deceased (where the locker / safe custody article was accessible under the survivorship clause), for access to the contents of the locker / safe custody article on the death of a locker hirer / depositor of the article, the banks are advised to adopt generally the foregoing approach, mutatis mutandis, as indicated for the deposit accounts.

Detailed guidelines in this regard are, however, as follows:

1. Access to Safe Deposit Lockers (With Survivor/Nominee Clause)

   If the sole locker hirer nominates a person, banks should give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer.

2. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person(s), in the event of death of any of the locker hirers, the bank should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).

3. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to “either or survivor”, “anyone or survivor” or “former or survivor” or according to any other survivorship clause, banks should follow the mandate in the event of the death of one or more of the locker-hirers.

4. However, banks should take the following precautions before handing over the contents:

a) Banks should exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;

b) Banks should make diligent effort to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased; and

c) Banks should make it clear to the survivor(s) / nominee(s) that access to locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given. Similar procedure should be followed for return of articles placed in the safe custody of the bank. Banks should note that the facility of nomination is not available in case of deposit of safe custody articles by more than one person.

d) Banks should note that since the access given to the survivor(s) / nominee(s), subject to the foregoing conditions, would constitute a full discharge of the bank’s liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee(s) and would, therefore, invite serious supervisory disapproval.

e) In such case, therefore, while giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, the banks should desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s).

Access to the safe deposit lockers / return of safe custody articles (without survivor/nominee clause)

There is an imperative need to avoid inconvenience and undue hardship to legal heir(s) of the locker hirer(s). In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, banks are advised to adopt a customer-friendly procedure drawn up in consultation with their legal advisers for giving access to legal heir(s) / legal representative of the deceased locker hirer. Similar procedure should be followed for the articles under safe custody of the bank.

Preparing Inventory

Banks should prepare an inventory before returning articles left in safe custody / before permitting removal of the contents of a safe deposit locker as per extant guidelines. The inventory shall be in the appropriate Forms.

Banks are not required to open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article.

Further, in case the nominee(s) / survivor(s) / legal heir(s) wishes to continue with the locker, banks may enter into a fresh contract with nominee(s) / survivor(s) / legal heir(s) and also adhere to KYC norms in respect of the nominee(s) / legal heir(s).

VI. Release of other assets of the deceased borrowers to their legal heirs

Banks had represented that the principle of not obtaining succession certificates etc., could be extended for settlement of claims in respect of other assets of deceased customers including securities held against advances after adjustment thereof. Banks are advised not to insist upon legal representation for release of other assets of deceased customers irrespective of the amount involved.

Banks may, however, call for succession certificates from legal heirs of deceased borrowers in cases where there are disputes and all legal heirs do not join in indemnifying the bank or in certain other exceptional cases where the bank has a reasonable doubt about the genuineness of the claimant/s being the only legal heir/s of the borrower.

VII. Operation of Accounts by Old & Incapacitated Persons-RBI guidelines

1. Facility to sick/old/incapacitated non-pension account holders

The facilities offered to pension account holders should be extended to the non-pension account holders also who are sick / old / incapacitated and are not willing to open and operate joint accounts.

2. Types of sick / old / incapacitated account holders

The cases of sick / old / incapacitated account holders fall into following categories:

(a) An account holder who is too ill to sign a cheque / cannot be physically present in the bank to withdraw money from his bank account but can put his/her thumb impression on the cheque/withdrawal form; An account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the cheque/withdrawal form due to certain physical incapacity.

3. Operational Procedure

With a view to enabling the old / sick account holders operate their bank accounts, banks may follow the procedure as under: -

a. Wherever thumb or toe impression of the sick/old/incapacitated account holder is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official.

b. Where the customer cannot even put his / her thumb impression and also would not be able to be physically present in the bank, a mark can be obtained on the cheque / withdrawal form which should be identified by two independent witnesses, one of whom should be a responsible bank official.

c. The customer may also be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque / withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the bank should be asked to furnish his signature to the bank.

4. Opinion of IBA in case of a person who cannot sign due to loss of both hands

Opinion obtained by the Indian Banks' Association from their consultant on the question of opening of a bank account of a person who has lost both his hands and could not sign the cheque / withdrawal form is as under:

"In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 – Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign".

Annexure-III-Simple Will Format

LAST WILL AND TESTAMENT Of ………………..………....……

S/O……………………………………………………………residing at……………………………………

……………………………………………..

Entered On

PREAMBLE

I ….……………………………………….. S/O…………………………................… (Religion)……………. age………years, presently resident ………. of being of sound mind and memory declare that the following is my last Will and Testament.

I do hereby revoke any and all former wills and codicils that I have previously made, particularly My will dated…...............…. Codicil dated……....…….

I ask all my relatives, friends, and others, to honor my right to make this will. I ask them to honor the spirit and letter of this document and not to try to obstruct or change it in any way. Let them see to it that my properties are divided as I wanted them to be divided. I ordain that under no circumstances should the contents of this will be changed voluntarily.

ARTICLE I: MY IMMEDIATE FAMILY

1. I am happily married to Smt…………………….........………. D/O……............................…………… Sri ……………………………….., age…………years, resident of ………………………… ……….. …………… and all references in this will to my wife are to her.

2. I am the proud father of our Son/Sons, Daughter/Daughters, whose name/s is/are given below.

a. …………………………………age…… Residing at… Married to……………………………………

b. …………………………………age…… Residing at… Married to……………………………………

c. ………………………………… age…… Residing at… Married to……………………………………

SIGNATURE OF TESTATOR

They are proud parents of our grandchildren as mentioned below

1. ……………………………………. S/O……………………………………

2. ……………………………………. D/O……………………………………

3. ……………………………………S/O, D/O …………………………...

ARTICLE II: EXECUTOR AND BENEFICIARY

1. I hereby state that all my estate all self-acquired: Immovable Properties and Movable properties like cash, bank accounts, Shares, Mutual Fund Investments, Life Insurance Investments, Jewels, and any other property not mentioned in this will, are self-acquired.

2. I am possessed of and absolutely entitled to movable and immovable properties, which are described in the schedules I to VI attached herein. Any mistake in the description or omission therefrom will not affect the dispositions hereby made and this will deed will apply to all my properties of whatso ever nature and wherever situated and whether standing in my name alone or jointly with anybody else, if any name is first mentioned.

3. I have given a brief description of my estate both movable and immovable acquired by me in Schedule I to VI. Whatever the estate, properties, Assets that I have mentioned and omitted to mention and acquired by me in future will be bequeathed according to Article III given below.

4. I ordain that the executor of this will be ……………………… S/O……………………… He shall act as an executor to serve without bond, to distribute it according to my will.

5. I direct that the executor takes all actions legally permissible to have the probate of my estate done as simply and as expeditiously as possible.

6. I give my executor power to settle any claim for or against my estate.

ARTICLE III: WILL

1. After my death my wife/husband Mrs./Mr. ……………………is entitled to the amounts lying in my Bank account/various Bank accounts in my name, specifically mentioned in **Schedule I** attached to this will. This bequeath shall have priority over all other bequests and dispositions.

2. I bequeath my immovable property(is) situate at ……………………………and Centres specificallymentioned as item no in **Schedule II** attached to this will to my……………… Shri/Smt………………………………and item no in **Schedule II** to my …………... Shri/Smt/Ms. absolutely.

3. I bequeath Gold and Silver ornaments/Jewellery /Gold Coins mentioned in **Schedule III** to my… Shri/Smt/Ms. absolutely.

SIGNATURE OF TESTATOR

4. I bequeath Share and Securities, Mutual Fund, PPF, SCSS specifically described in **Schedule IV** to my …………...... Shri/Smt/Ms.…………………………… and Shri/Smt/Ms.…………………………...

5. I hold Insurance Policies for Self/Family for Life cover as also property which is spelt out in **Schedule V** to my will. I bequeath all my properties which are not mentioned in this will to my………. Shri/Smt/Ms.…………………………………. and my ……………. Shri/Smt/Ms.………………………………

6. I bequeath my miscellaneous assets in **Schedule VI**, as per details given there in to my………………… Shri/Smt/Ms.……………………………………

ARTICLE IV: SEPARABILITY

I direct that no part of this will be invalidated by a court. If any part of this will is determined invalid by a court the other parts shall remain valid and enforceable.

I subscribe my name to this will this day the of………, at …………….,… and do hereby declare that I sign and execute this instrument as my last will and that I sign it willingly, that I execute it as my free and voluntary act for the purposes therein expressed, and that I am of the age of majority or otherwise legally empowered to make a will, and under no constraint or undue influence. I have made this will while I am in sound health and of good understanding.

Name Testator Signature Date

SIGNED BY THE TESTATOR IN THE PRESENCE OF TWO WITNESSES

Witness 1.

Signature Date Name and Address

Witness 2.

Signature Date Name and address

Note

1. This is a specimen format provided for information purpose only. To be suitably modified as per requirement.
2. All pages of Will including Schedules to be signed.
3. Signature of two witness is a must.
4. Applicable for self-acquired properties.
5. The will can be registered or unregistered. The advantage of registered will is that in case of disputes, it can be proved easily.
6. The will deed can be made out on plain paper.
7. Will registration cost will be very less
8. The original copy of the executed will can be kept in a safe and secured place.
9. Codicil means an instrument made in relation to a will and explains, alters or adds to the dispositions and is deemed to be a part of the original will.

Enclosures/Schedules to Will dated…………….

Schedule I (Deposits) -Mention here brief details of Deposits like Bank, Branch, account No, Type of Account, Names of account holders.

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Schedule II (Immovable property/ies)-Mention here the details of the property, area, Location, and registration details etc.,)

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Schedule III (jewellery)- Mention here Details of Gold, Diamond jewellery, Gold Coins, Ornaments which are in Locker.in Use by Wife, Daughters

Bangles———(……grams approx.) Earrings————(… …. Grams Approx.) Necklace———
(……. grams approx.) Manglasutra/Thirumangalyam……. (… Grams) Rings……. (……….
Grams), Bracelets…………. (……. Grams), Chains……. (grams)
Gold Coins……… (Grams)

……………………………………………………………………………………………..

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……………………………………………………………………………………………..

Silver ornaments /Plates and other items weighing Held in Bank Locker or in use

……………………………………………………………………………………..

……………………………………………………………………………………..

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Schedule IV – (Shares, MFS, PPF, SCSS etc.)-Mention details of Shares held in Demat account, Mutual Fund accounts, Securities held with the Company, PPF account, SCSS details

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Schedule V- (Insurance Policies Etc.)-Mention here Details of Policies, Beneficiaries, Sum assured, Due date and Name of Insurer etc.

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Schedule VI (Miscellaneous Assets Etc.)-Mention here details of other movable assets like Vehicle, Electronic Goods, Furniture etc. Not specifically covered in the will deed above.

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PLACE SIGNATURE OF TESTATOR

DATE

IN THE PRESENCE OF TWO WITNESSES

Witness 1.

Signature Date Name and Address

Witness 2. Signature Date Name and address

Disclaimer:

This write up is meant for information purposes only and do not purport to be a legal document. The author does not warrant the accuracy or completeness of the information. The Hand Book has been provided to serve as a reference guide for information only. Readers are requested to refer the relevant Acts, official and Government guidelines for a detailed view and to act upon.

About the author

The author Mr. S Srinivasan is a man of many passions- Union activist by profession, a pioneer in the bank employees' union movement, a social empathist, an ideologist, a mathematics enthusiast, a teacher, a writer and a man of deep humanitarian conviction He became an activist for the rights and moralities of the staff in the banking sector, soon finding his way up the value chain in the All India Overseas Bank Employees Union and ultimately serving as the General Secretary of the Union for 23 years. In the year 1991, he was first appointed as the workmen director on the Board of Directors of Indian overseas Bank. During his tenure, he continually strived for the betterment of the bank and its people, and in making them aware of their rights and responsibilities, and in motivating and mobilizing them to follow their conviction. He successfully established innumerable historic welfare schemes, benefits, and inimitable settlements for the employees and authored, compiled and published several trade union information books and essays; his most significant work being the 'Know your Rights' volumes which was recommended as a reference compendium of Service Conditions by the management of Indian Overseas Bank to their respective regional offices the genesis of these books lay in the long felt need for compilation containing authentic and updated materials drawn from various resourceful materials which collected and compiled notes his 9th revised edition published by notion press is available at https://notionpress.com/read/know-your-rights-1344844.

He has also published two books domestic enquiries. Volume 1 deals with 'know your defence' in domestic enquiry which contains important aspects of domestic enquires in question answer form chapter wise as well inclusion some land mark high court and supreme court decisions in favour of the employee. Where as in volume 2 of the book Know art of cross examination in domestic enquiries (part 1)Practical Guide to Defence Representatives in Handling Charge Sheets and Enquiries (part 2).Model question for cross examination of different specific cases exhaustively is also furnished. in addition to it as desired by many activists practical domestic Enquiries starting with reply to charge sheets, defence brief, EO' 's findings, defence comments to EO's findings reply of defence to show cause notice, draft of appeal with several illustrative case study examples, mock enquiry drills is furnished.. These books are available at https://notionpress.com/read/chinu-s-notes-on-know-your-defence-in-domestic-enquiries-volume-1

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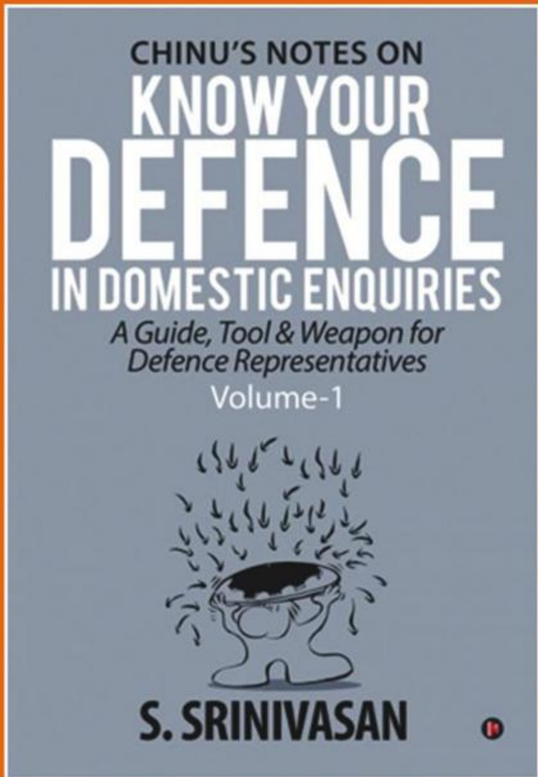

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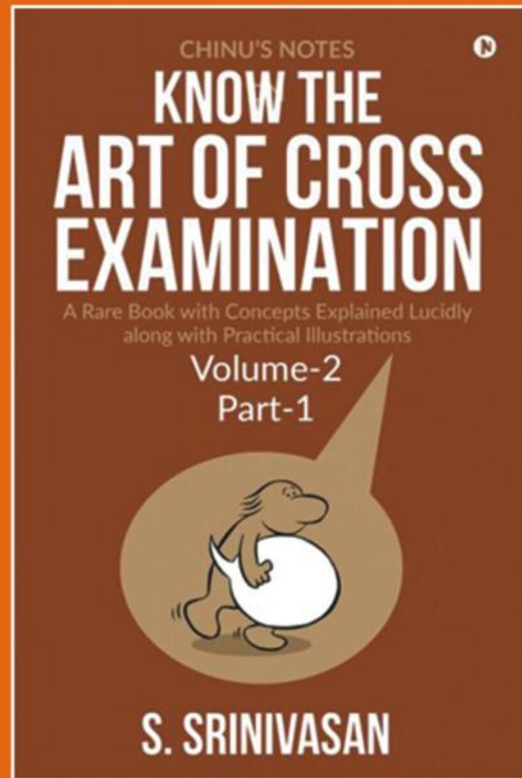

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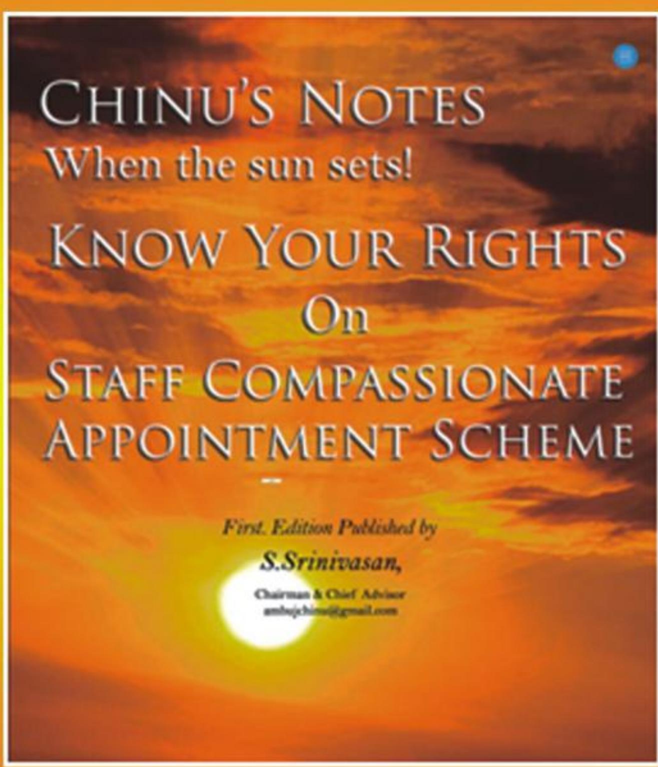

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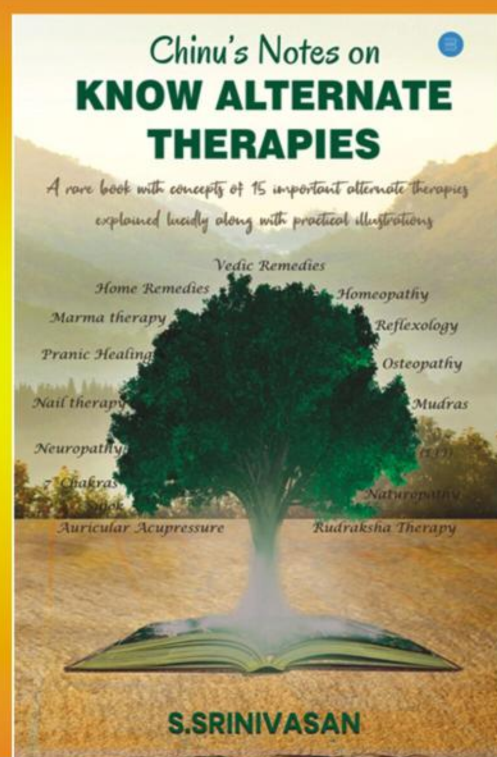

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