

# Coordination of E Associate Banks'

## Retirees' Organizations.

H.No. 16-2-738/4/5/28, S.B.H colony,  
Asmanghad, Malakpet,  
Hyderabad 500036  
Email : statebankretirees@gmail.com

Date :12/07/2018

The Chairman  
State Bank of India,  
Mumbai.

Respected Sir,

### Payment of Commutation

EAssociate Bank retirees are entitled to payment of Pension, including Dearness Relief and Commutation in terms of Bank Employees' Pension Regulations, 1995, as on the date of their retirement. This is also essence of decision of Hon'ble Supreme Court in Civil Appeal 5525/2012 of Bank of Baroda Vs G Palani & Ors. Hon'ble Supreme Court provided time of four months to pay the benefits with 9% interest from 13/02/2018. Now, it is more than five months from the date of Judgment. Still, our Bank has not paid any benefit to those who retired from State Bank of Patiala and State Bank of Saurashtra. Retirees from other eAssociate Banks have received only a small portion of arrears.

Those who retired during the period 01.04.1998 to 30.04.2005, are entitled to following benefits, in terms of Judgment of Hon'ble Supreme Court :

- a. Payment of Pension calculated and fixed based on average of last ten months' 'Pay' drawn including Dearness Relief as per Regulation 2(d), 2(s), Regulation 35 and Regulation 38 ;
- b. Payment of Pension calculated and fixed duly adding service upto five years, including Dearness Relief as per Regulation 29, in respect of those who retired under VRS - 2001 ;
- c. Dearness Relief as per Regulation 37 – Appendix II (2) i.e Dearness Relief Calculated at 0.35% of Rs.2,400/- plus 0.29% of the difference between Rs.3,850/- & Rs.2,400/- plus 0.17% of the difference between Rs.4,100/- and Rs.3,850/- plus 0.09 per cent of basic pension in excess of Rs.4,100/- for each slab of four points over and above 1148 points of Consumer Price Index – 1961 Series.;
- d. Payment of Commutation as per Regulation 41, with Commutation Factor applicable on the date of retirement and recovery/reduction for a period of 15 years from the pension of the month, in which the same is credited to my account. This is as provided in Para 5 of e-Circular No.CDO/P&HRD-PPFG/5/2017 – 18 dated 13.04.2017 ;

#### Conveners:

- Shri.P.D. Vaidya (eSBS)  
Cell : 94263 34688
- Shri.C.N. Prasad (eSBM)  
Cell : 97400 72620
- Shri.V. Sombabu (eSBH)  
Cell : 98853 52930

#### Advisory Committee:

- Dr. A. Ananthakrishna Rao  
(Chairman) (eSBH))
- Shri. K Sukumaran (eSBM))
- Shri.Chandrasenan (eSBT)

#### Core committee:

- Shri.K. Vijaya Kumar (eSBT)
- Shri.C Gopinathan Nair (eSBT)
- Shri.C N Prasad (eSBM)
- Shri.Y N Ramesh (eSBM)
- Shri.R P Saxena (eSBBJ)
- Shri.B C Bassi (eSBP)
- Shri.D.S. Jattana (eSBP)
- Shri.Prakash Sarma (eSBlr)
- Shri.V Sombabu (eSBH)
- Shri.P D Vaidya (eSBS)

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- e. Interest at 9% on the aggregate amount due and payable to me on the date of payment, calculated with effect from the date of retirement ;
- f. Cost of Rs.10,000/- ordered by Hon'ble High Court of Karnataka.

It is unfortunate to note that a very small portion of arrears have been paid, so far to these retirees. While we request you to kindly order immediate payment of balance of arrears, we request you to kindly pay arrears along with interest on entire arrears of Pension, immediately. In the meantime, we understand from some of the eABs' Retirees' Organisations that Corporate Centre has advised that the payment of differential Commutation also entails recovery of commuted portion of pension of fifteen years. In this regard, we would like to bring following, to your kind notice:

- a. If recovery of Commuted portion of Basic Pension of 180 months, while disbursing differential amount of Commutation is effected, this amount needs to be recovered from arrears of Pension or Commutation amount or interest thereon. This results in payment of amount which is far less than the amount payable as per Judgment. This will not be in accordance with the Judgment of the Hon'ble Supreme Court. Consequently, such action is treated as violation of the orders of the Hon'ble Supreme Court, ;
- b. Para 5 of e-Circular No.CDO/P&HRD-PPFG/5/2017 – 18 dated 13.04.2017 of our Bank has provided for recovery on account of Commutation would be for a period of 15 years from the month of Payment of Commutation amount ;
- c. 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 Rules are extracted in Annexure I. Office Memorandum which clarifies further is also provided in Annexure II. 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 ;
- d. Indian Banks' Association, vide Cir No.HR&IR/KU/2015-16/G2/1506 dated 17/10/2015, 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 attached, hereto for your immediate reference.

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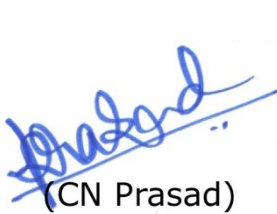
e. Further, Commutation amount is the purchase price of amount recoverable over a period of 15 years after it is paid.

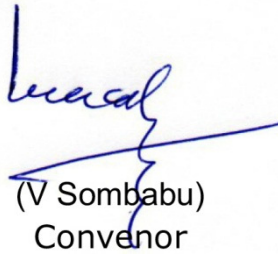
On account of foregoing, we request you to kindly intervene and order payment differential amount of Commutation and recover the Commuted portion of pension over a period of fifteen years from the date of payment.

Kindly order payment & oblige. Please acknowledge receipt

Thanking you,

With regards,

  
(CN Prasad)  
Convenor

  
(V Sombabu)  
Convenor