

# Coordination of E Associate Banks'

## Retirees' Organizations.

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Asmanghad, Malakpet,  
Hyderabad 500036  
Email : statebankretirees@gmail.com

Date :02/08/2018

The Chairman  
State Bank of India,  
Mumbai.

Respected Sir,

### **Anomalies in payment of arrears of Pension in terms of Judgment of Hon'ble Supreme Court.**

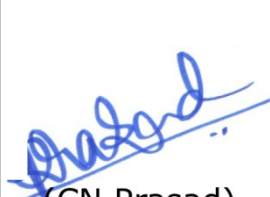
This is further to the correspondence resting with our letter CeABRO – 123 of the 12th ultimo, regarding payment of arrears of Basic Pension, Dearness Allowance and Commutation as per Bank Employees Pension Regulations, 1995, alongwith interest at 9% thereon. This is in terms of decision of Hon'ble Supreme Court in Civil Appeal 5525/2012 of Bank of Baroda Vs G Palani & Ors of 13.02.2018, which allowed four months time. Those who retired under VRS – 2001 and Exit Policy 2005 -2007 are also eligible for calculation of Pension by including service to the maximum extent of five years, as per this Judgment. However, we have been informed that some Local Head Offices have paid a small amount or negligible amount of arrears and some have not paid at all. We have also found anomalies and deviation from the Judgment of Hon'ble Supreme Court in payment of arrears. Details of non-implementation/partial implementation of the Judgment are provided in the annexure enclosed.

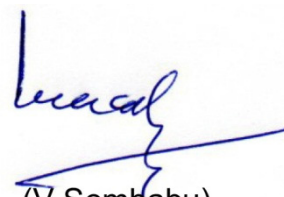
We request you to kindly advise the Local Head Offices at Ahmedabad, Bengaluru, Bhopal, Chandigarh, Amaravati (Hyderabad), Jaipur and Thiruvananthapuram to pay correct amount of arrears, as per Judgment, both in letter and spirit. We pray for your kind indulgence and bring litigation to end by paying legitimate benefits, in toto, to all eAssociate Bank retirees covered by this Judgment. Please help these retirees and oblige.

Please acknowledge receipt

Thanking you,

With regards,

  
(CN Prasad)  
Convenor

  
(V Sombabu)  
Convenor

#### 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 (eSBIR)
- Shri.V Sombabu (eSBH)
- Shri.P D Vaidya (eSBS)

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<b>Particulars</b>	<b>Details of Benefits to be paid as per Judgment dated 13.2.2018</b>	<b>Present position</b>
<p>a. Basic Pension as per Regulations 35 &amp; 38, calculated based on last ten months' 'Pay'</p>	<p>Those who retired during the period 1.4.1998 and 30.4.2005 were paid pension and commutation there on based on average of last ten months' 'Pay' drawn based on Pre-revised 'Pay' and Dearness Allowance thereon upto 1616 points instead of average of last ten months' average 'Pay'. This is based on Joint Note dated 14.12.1999 and Bipartite Settlement dated 27.03.2000. Hon'ble Supreme Court has decided that these pensioners are eligible for payment of Basic Pension in terms of Regulations which was in force on the date of retirement. Since, Pension Regulations have not been amended, even those who have retired during the period 1.11.2002 to 20.04.2005 are also covered under this Judgment. One of the petitions is a representative petition in which all Banks, including State Bank of India and eAssociate Banks were parties. Therefore, every pensioner who is covered under this Judgment is entitled all the benefits, with interest.</p> <p>IBA has also advised all member Banks who are parties to these Joint Note/Bipartite Settlement to pay this arrears to all eligible Pensioners, vide HR&amp;IR/2018-19/G2/4786 of 03.04.2018.</p>	<p>Arrears of Basic Pension is not paid to many of the eligible pensioners, especially in respect of Family Pensioners and those who retired before 2001. This benefit is also not extended to those who retired between 1.11.2002 and 30.4.2005. Calculation Sheets have not also been provided to verify correctness</p>

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<b>Particulars</b>	<b>Details of Benefits to be paid as per Judgment dated 13.2.2018</b>	<b>Present position</b>
b. Basic Pension calculated duly adding service upto 5 years in terms of Regulation 29 in respect of those who retired under VRS – 2001 and Exit Policy during 2005-07	Even though Hon'ble Supreme Court has not explicitly dealt with this issue in its Judgment dated 13.02.2018, it has affirmed the Judgments of Hon'ble High Courts of Karnataka at Bengaluru, while dismissing the appeals filed by the Banks. On 08/03/2018, Karnataka High Court has ordered payment of Pension duly taking into account service upto five years in terms of Regulation 29. This Judgment is specifically affirmed this Judgment of Hon'ble Karnatka High Court and appeals filed by the Bank are dismissed, by Hon'ble Supreme Court. Therefore, this Judgment has become a part of the decision of Hon'ble Supreme Court. Consequently, all these pensioners of all eAssociate Banks are entitled to this benefit of notional addition of service upto five years under Regulation 29 and payment of interest at 9% on the amount due and payable.	This benefit is not yet paid to any of the eligible eAssociate Bank pensioners, so far.

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<b>Particulars</b>	<b>Details of Benefits to be paid as per Judgment dated 13.2.2018</b>	<b>Present position</b>
c. Dearness Relief/Allowance in terms of Regulation 37 – Appendix II	Judgment of Hon'ble Supreme Court has affirmed the Judgments of Karnataka High Court which had allowed the Writ Petitions and Regulation 37 also finds a place in the Judgment. Payment of Dearness Relief to these pensioners in terms of Appendix II, Table B of Pension Regulations, 1995, is one of the prayers in Writ Petition, which was allowed by single judge benches. In terms of this Regulation, the Dearness Relief should be paid at 0.35% of Rs.2,400/- plus 0.29% of the difference between Rs.3,850/- and 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 every slab of Dearness Relief over and above 1148 points of Consumer Price Index. All these Pensioners are entitled to payment of Dearness Relief at this rate from the date of retirement and continues to be paid at the same rate.	Dearness Relief is being paid at old rates, which has no legal basis.

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<b>Particulars</b>	<b>Details of Benefits to be paid as per Judgment dated 13.2.2018</b>	<b>Present position</b>
<p>d. Payment of Interest at 9% on the amount due and payable.</p>	<p>Interest on the arrears needs to be calculated on the 'amount' due and payable, but not on the amounts, due and payable. This method of calculation is in vogue in judiciary whenever it is not specifically provided and interest is calculated under this method. Interest awarded is a compensation for the delay. Therefore, interest needs to be calculated on compound basis, if the interest is calculated on progressive basis and on the aggregate and total amount due and payable, if it is simple interest.</p>	<p>Simple Interest on progressive basis is paid</p>
<p>e. Payment of arrears on or before 12.06.2018</p>	<p>In terms of the Judgment of Hon'ble Supreme Court, our Bank should have paid the arrears, on or before 12<sup>th</sup> June, 2018. However, only a small portion of arrears have been paid by the Bank. Still, arrears have not been paid to a large number of pensioners who are covered under this Judgment. Now, Petitioners are entitled to approach Hon'ble Supreme Court.</p>	<p>Requesting for early payment of all these benefits binging this litigation to an end.</p>