

State Bank of India has honoured the Orders of Hon'ble Supreme Court in Contempt Petition filed by members of State Bank of Mysore Pensioners' Commune and paid Commutation without recovering Commutation amount. It is for the first time in the Banking history, a part of the Commutation is paid after a period of 15 years after retirement, without recovery duly reckoning commutation factor as on the date of retirement/pension option. It is unfortunate that Commutation is paid only to petitioners from erstwhile State Bank of Mysore. **However, our State Bank Retirees Association is committed to ensure extension of benefit of payment of pension duly adding service to the extent of maximum of five years and payment of differential Commutation alongwith along with interest thereon.** Consequent to the decision in Contempt Petition, State Bank Retirees' Association is pursuing payment of Dearness Relief in terms of Regulation 37 – Appendix II 2 to all those who retired on or after 01.04.1998. Details of this benefit are narrated hereunder :

Currently, Appendix II 2, of Pension Regulations, 1995 provides for payment of Dearness Relief in respect of those who retired on or after 01.11.1993. The rate per slab of Dearness Relief in excess of 1148 points of Consumer Price Index is at 0.35% upto Rs.2,400/- , 0.29% upto Rs.3,850/-, 0.17% uptoRs.4,100/- and at 0.09% per cent of basic pension in excess of Rs.4,100/-. Since, there is no further addition/modification/amendment, erstwhile Associate Bank pensioners are entitled to Dearness Relief at these rates, instead of rates at which Dearness Relief is being paid, currently.

Legal position :

Essence of large number Judgments of Hon'bleSupreme Court including five judge benches is that 'Retrospective amendment of statutory rules adversely affecting pension of employees who have already retired on the date of notification is invalid'. Bank Employees' Pension Regulations, 1995 are statutory in nature and therefore retrospective amendments cannot take away vested rights. It is also decided by Hon'bleSupreme Court that Joint Note/Settlement cannot be in derogation of statutory Pension Regulations. However, Associate Bank of Mysore Employees' Pension Regulations, 1995 have not been amended, not even once, from the date of notification of these Pension Regulations on the 23rd March,1996. In fact, Division Bench of Karnataka High Court, in its order dated 08.03.2012 has ordered State Bank of Mysore to pay cost of Rs.10,000/- to each of the petitioner/pensioners, for continuing litigation,

without merit despite not amending pension regulations. Since, the amendments to relevant provisions of Pension Regulations have not been carried out even after Hon'ble High Court of Karnataka has passed strictures and ordered payment of Rs.10,000/- as cost to each of the Petitioners/ Officers, only inference that can be drawn is that the Bank has waived its right to pay Pension, including Dearness Relief in terms of subsequent Bipartite Settlements where modifications find place.

But, the Bank maintains that those who have retired under VRS – 2001/Exit Policy 2005-06/VRS – 2017 have not retired under Pension Regulations, but in terms of a Contractual Scheme. But, these Contractual Schemes have listed benefits which are available to these retirees include payment of pension in terms of Pension Regulations, as on the date of their retirement. The Bank has also stated before Hon'ble Supreme Court, in Contempt Petition that the Dearness Relief for Pensioners is being paid in terms of Bipartite Settlements. Incidentally, there is no reference to payment of Dearness Relief to Bank pensioners in 7th and 8th Bipartite Settlements/Joint Notes. In view of several decisions of Hon'ble Supreme Court, stand of the Bank and non-amendment of Pension Regulations, 1995, even once after initial notification, our State Bank Retirees' Association, is confident of securing this benefit of increased Dearness Relief in terms of Pension Regulations to its members.

Members of State Bank of Mysore Pensioners' Commune agitated the issue of payment of Dearness Relief under Regulation 37 of SBM Pension Regulations and payment of differential Commutation was one of the subject matter of issues agitated. Important aspect of the Orders dated 28.08.2019 is payment of dearness relief in terms of Regulation 37. Though Hon'ble Supreme Court decided that dispute as to the payment of dearness relief cannot be gone into within the contempt jurisdiction, petitioners are free to agitate the issue before an appropriate forum, in case, petitioners are aggrieved by the basis of computation of dearness allowance. This is a significant development, even though payment of Dearness Relief is not ordered in the Contempt Petition. Members of our State Bank of Mysore Pensioners' Commune are free to agitate before Hon'ble Karnataka High Court, even though they have retired two decades ago. The Bank cannot raise the issue of 'delay and latches' before these courts.

Hon'ble Supreme Court has decided that "the law assists those who are vigilant and not those who are indolent" and in case of any delay in filing Court cases or not filing Court cases certainly hamper payment of

benefits by State Bank of India. Orders of the Hon'ble Supreme Court now restrict payment of arrears beyond a period of three years, that too without interest. Since, the issue of payment of Dearness Relief in terms of Regulation 37 is a part of Contempt Petition and there are various reasons or cause of action in respect of other subsequent retirees, question of 'delay and latches do not arise.

Table with details of benefit under various Bipartite Settlement periods demonstrate the magnitude of the benefits. Information relating to Pensioners who retired during each of the year commencing from 01.04.1998 is as under :

Bipartite Period	Date of retirement	Basic Pension	Arrears	Monthly increase
7th Bipartite	31.05.1998	Rs.8,413/-	Rs.9,04,804/-	Rs.5,439/-
7th Bipartite	31.05.1999	Rs.11,250/-	Rs.10,77,603/-	Rs.6,947/-
7th Bipartite	31.03.2000	Rs.8,038/-	Rs.8,24,410/-	Rs.5,240/-
7th Bipartite	31.03.2001	Rs.7,880/-	Rs.7,78,682/-	Rs.5,156/-
7th Bipartite	27.11.2009	Rs.4,220/-	Rs.5,70,880/-	Rs.6,252/-
8th Bipartite	31.03.2003	Rs.11,457/-	Rs.9,97,404/-	Rs.4,417/-
8th Bipartite	31.03.2005	Rs.10,680/-	Rs.9,11,862/-	Rs.5,067/-
8th Bipartite	30.06.2006	Rs.9,545/-	Rs.8,88,174/-	Rs.6,023/-
8th Bipartite	31.03.2007	Rs.10,683/-	Rs.9,11,862/-	Rs.5,067/-
8th Bipartite	31.03.2008	Rs.16,495/-	Rs.13,64,508/-	Rs.9,604/-
8th Bipartite	31.03.2009	Rs.11,729/-	Rs.12,37,397/-	Rs.10,888/-
9th Bipartite	31.03.2010	Rs.17,755/-	Rs.11,18,283/-	Rs.9,265/-
9th Bipartite	31.05.2011	Rs.30,425/-	Rs.17,95,253/-	Rs.34,512/-
9th Bipartite	31.05.2012	Rs.10,091/-	Rs.9,06,048/-	Rs.11,329/-
10th Bipartite	31.03.2013	Rs.30,932/-	Rs.25,83,790/-	Rs.34,852/-
10th Bipartite	31.03.2014	Rs.22,375/-	Rs.18,09,524/-	Rs.30,425/-
10th Bipartite	31.03.2015	Rs.30,425/-	Rs.17,95,253/-	Rs.34,512/-
10th Bipartite	31.03.2016	Rs.22,375/-	Rs.11,71,968/-	Rs.29,097/-
10th Bipartite	28.02.2017	Rs.30,240/-	Rs.6,40,528/-	Rs.34,387/-
10th Bipartite	31.03.2018	Rs.24,491/-	Rs.5,65,889/-	Rs.30,520/-

10th 31.03.2019 Rs.21,717/- Rs.1,69,919/- Rs.28,654/-
Bipartite

Arrears of Pension provided above are without interest and pensioners are also entitled to interest. The quantum of interest on the arrears may even be more than the arrears amount, which depends on date of retirement and applicable rate of interest based on orders of the Courts.

Sufficient amount of studies have been made. State Bank Retirees' Association is also equipped with persons with adequate knowledge and experience. They have won the case after a very long struggle of over 17 years. Therefore, State Bank Retirees' Association would strive for payment of arrears and including substantial increase in pension and payment of consequential arrears. State Bank Retirees' Association has the where-withal to deliver these benefits.

Situation in State Bank of India:

Experience of our State Bank Retirees' Association is that the State Bank of India pays benefits ordered by even Hon'ble Supreme Court only to Petitioners. Non-payment of interest to non-petitioners from erstwhile State Bank of Mysore in five years issue of VRS – 2001 and non-payment of this benefit to similarly placed retirees of other erstwhile Associate Banks are the examples of such practice. Those who thought that the benefits ordered by Courts would automatically extended to all have understood hard way. Even Hon'ble Supreme Court has ordered benefit of payment of Gratuity calculated on last pay drawn in respect of Officers who retired during 1993 – 1994 only to the Petitioners. Many similarly placed retirees have been deprived of the benefit, because they are not the petitioners. Therefore, members should participate in all struggles. **Irrespective of their mode of retirement, those who retired on or after 01.04.2002 including those who retired during 11th Bipartite period (i.e on or after 01.11.2017 are also entitled to receive Dearness Relief in terms of Regulation 37 – Appendix II of Associate Banks' Pension Regulations, 1995.**

Therefore, members are requested to participate in this legal struggle. Those who retired on or after 01.04.1998, but before 31.10.2002 are requested to pay 3% of the arrears received. Those who have retired on or after 01.11.2002 are requested to pay Rs.5,000/- . Those who have handed over Debit authorization (which would be debited on 27.11.2019) or those who have remitted amount to our account would receive a statement providing projected arrears

which they are entitled to receive. State Bank Retirees' Association is submitting a list of members who are contributing and participating in this legal struggle, to the Court, while filing the petition at an appropriate forum. Then, the Bank is compelled to pay arrears and interest thereon, if any, as ordered by the Courts. **But, names of those who do not contribute will not be included in this list to be submitted to the Court and arrears and/or would be paid, only if the Bank decides to pay in such cases.** Therefore, to avoid any such situation where Bank does not extend the benefits ordered by the Courts, members are requested to join this struggle.

This struggle is historic. This is a weapon in our armory for updating Bank employees' pension with every settlement. Every one shall join to make this grand success.