

325/18

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CDO / AGM PPG

Anomaly in Computation of Pension - Judgement of Hon'ble Supreme Court

DGM PENSION- PF & GRATUITY-

Fri 5/25/2018 3:04 PM

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भारतीय स्टेट बैंक/State Bank of India	
मु. म. प्र. का क्षेत्राधिकार/CGM's Sectt.	
अमरावती	
25 MAY 2018	
मु. म. प्र./CGM	मु. म. प्र. वरिष्ठ-1
CGM/PW-1	2018 NVW-2

Date: May 23, 2018

Ref. No. - CDO/PPG/HK/2018-19/05

The Chief General Manager
 State Bank of India
 Local Head Office
 Amravati.

PPG

भारतीय स्टेट बैंक/STATE BANK OF INDIA	
की.जी.एम. & सी.जी.ओ. DGM & CDO	
अमरावती	
28 MAY 2018	
RECEIVED	
Inward No:	

Dear Sir,

ANOMALY IN COMPUTATION OF PENSION
JUDGEMENT OF THE HON'BLE SUPREME COURT OF INDIA
CIVIL APPEAL NO. 5525 OF 2012 WITH OTHER CIVIL APPEALS
RE-FIXATION OF PENSION AND PAYMENT OF ARREARS

As per the provisions of Joint Note / Bipartite Settlement dated 14.12.1999 and 27.03.2000 respectively relating to wage revision, 1684 points of Consumer Price Index (CPI) were merged with the existing basic pay of Officers / Employees and revised basic pay was worked out accordingly. However, as per the agreed terms and conditions, pay for the purpose of pension was worked out after merging 1616 points of CPI as against 1684 points. These provisions were made effective from 01.04.1998. As such, pay for the purpose of pension was less than the actual pay the concerned employee / officer was getting on or after 01.04.1998. This anomaly was removed vide Joint Note / Bipartite Settlement dated 02.06.2005. However, monetary benefits were given with effect from 01.05.2005.

Based on the judgement of the hon'ble Supreme Court of India and the communication received from Indian Banks Association in this matter, it has now been decided to revise the pension of employees of erstwhile Associate Banks retired on or after 01.04.1998 and upto 31.10.2002, for the period from their date of retirement till 30.04.2005 and pay arrears along with simple interest @9%. Lifetime arrears shall also be paid to families / legal heirs, where the pensioners were in receipt of pension during the relevant period, but have since passed away.

In this connection, the following procedure has been approved by the competent authority:

- i. The calculation and payments of arrears would be made by the PPG Departments at the seven concerned LHOs i.e. LHOs Ahmedabad, Bhopal, Jaipur, Amravati, Bangalore, Chandigarh and

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- Thiruvananthapuram. The payments would be made out of various pension funds as under:
- ii. In respect of pensioners of e-SBS and e-SBIN, payment of arrears as well as interest would be made from the SBI Employees' Pension Fund as the pension funds of e-SBS and e-SBIN have been merged with the SBI Employees' Pension Fund.
 - iii. In respect of pensioners of other 5 e-ABs, i.e. e-SBBJ, e-SBH, e-SBM, e-SBP and e-SBT, the payment of arrears as well as interest would be made from the respective pension funds as they are still maintained separately.
 - iv. In respect of pensioners, the amount of arrears along with interest would be credited to their pension account.
 - v. In respect of deceased pensioners, i.e. cases where family pension is being paid as well as those cases where family pension has also been discontinued, payment of arrears and interest would be made to the legal heirs on receipt of application and after completion of formalities / documentation as per the 'Scheme of Settlement of Claims without Legal Representation – Balances held in the Account(s) of Deceased Constituents'.

Please note that as per judgement of the Hon'ble Supreme Court, the payment of dues and interest has to be made within 4 months of the judgement i.e. latest by 13.06.2018.

You are, therefore, requested to arrange for calculation of revised pension and arrears along with interest @ 9% simple interest and make payment to the beneficiaries latest by 31.05.2018 under advice to us.

Please treat the matter as urgent and arrange accordingly.

Yours faithfully

(R. Jayaraman)

Chief General Manager (HR)