

**MANAGEMENT AUDIT & REVIEW DIVISION  
(RIGHT TO INFORMATION CELL )  
RAJENDRA BHAWAN, RAJENDRA PLACE  
HO: NEW DELHI**

MARD/RTI/1107/2012  
DATE: 14.02.2013

1480

Shri M.C. Singla  
H.No.5138/2, Category-1,  
M.H.C. Manimajra,  
Chandigarh- 160101.  
Sir,

**REG: THE RIGHT TO INFORMATION ACT, 2005- YOUR APPLICATION DATED  
18.01.2013**

This has reference to your aforesaid application under Right to Information Act, 2005.

The information sought in your aforesaid application is enclosed along with its annexures as per letter No. RTI/MISC dated 13.02.2013 received from PF& Pension Fund Deptt. HO New Delhi.

Kindly acknowledge.

Please note that if not satisfied with the information provided, as above, you may file appeal within 30 days under the provisions of Right to Information Act, 2005 before the Appellate Authority Smt. Sumita Roy, General Manager, Punjab National Bank, HO: Rajendra Bhawan, Rajendra Place, New Delhi- 110008.

Thanking You,

Yours faithfully,

( A.K. CHUGH)

CENTRAL PUBLIC INFORMATION OFFICER

Encl : As above 20

Punjab national bank  
P.F & Pension Fund Deptt.  
Rajendra Place, New Delhi  
Encl: as above

email pf@pnb.co.in

Tel. 25744812, 25744827

---

Ref: RTI/MISC

13.02.2013

The Dy.General Manager,  
Management Audit & Review Division,  
(Right to Information Cell)  
HO: Rajendra Bhawan  
Rajendra Place,  
NEW DELHI.

**REG: THE RIGHT TO INFORMATION ACT, 2005- APPLICATION DATED 18.1.2013  
RECEIVED FROM SHRI M.C. SINGLA**

Please refer to your letter No. MARD/RTI/1107/2012 dated 23.01.2013 on the above subject.  
In this connection, Please find enclosed the copy of IBA circular no PD/CIR/76/G(ii)1905  
dated 31.03.1994 sought by Sh Singla.

CHIEF MANAGER

## INDIAN BANKS ASSOCIATION

Stadium House, 6<sup>th</sup> Floor, Block 3, Veer Nariman Road, Bombay 400 020.  
Gram : BANKSLINK, Telex : 011-85146/82373 Fax : 2184222

N O. PD/CIR/76/G(ii)/1905

March 31,1994

Private & Confidential

Chief Executives of Member Banks  
Which are parties to the Bipartite Settlement/  
Discussions with officers' organizations.

Dear Sirs,

### **Bank Employees (Pension) Regulations 1993**

Further to our circular No.PD/CIR/76/G(ii)/1842 dated 17<sup>th</sup> March,1994,we are enclosing herewith:

- a) Memorandum of clarifications on some of the provisions in the pension Regulations (Annexure-I)
- b) Draft of the Trust Deed for forming the pension Fund (Annexure-II)

We are also enclosing here with for your information, Minutes of the meeting of Small Committee on pension held with Unions /Officers Associations on 26<sup>th</sup> March, 1994 (Annexure III and IV).

Suitable modifications if necessary may be effected in consultation with your Legal Department, in regard to the Trust Deed. In particular implication of Indian Stamp Act may be examined while reframing Clause 5 and 6 of the preamble of the Trust /Deed.

If, there is any doubt regarding interpretation of a clause in the Regulations, the matter may be referred to IBA.

Yours faithfully,

(B D Sumitra )  
Personnel Adviser

Encl. a/a

- c.c.to
- 1) Chief Executives of other Member Banks
  - 2) Designated officers
  - 3) Associate Members

DRB/1 m

P.S. Hindi version of the draft pension regulations will be sent to public sector banks.

**Memorandum of Clarifications to the  
Employees' Pension Regulations, 1993**

**Chapter 1**  
**Definitions**

1. Regulation 2(0)

If Bank level settlements are required to be referred to in the Regulation the word 'Bank Level Settlement' may be incorporated in the pension regulations to be adopted by the Board of the bank.

**Chapter II**

**Application and Qualifying Service**

2. Regulation 3- Application

(i) Employees who have been recruited as on 1.11.1993 and thereafter will not be eligible for option in regard to CPF/Pension but will be compulsorily brought within the purview of the pension scheme.

However, an employee who is recruited at the age of 35 years and above, between 1.11.1993 and the date of finalization of the scheme may be allowed to exercise his option within 3 months from the date of issue of administrative circular by the banks.

(ii) Employees who have retired as at the close of business on 31.10.1993 are not eligible for reckoning of dearness allowance at 1148 points for the computation of basic pension as per Regulation 20(iv)(b) of Chapter IV. This is applicable for employees retiring on or after 1.11.1993 only.

(iii) Queries have been raised as to whether employees who have retired as at the close of business on 31.12.1985 are eligible for the pension under special dispensation as per Regulation 3(iii) of chapter II.

It is clarified that employees retiring on or after 1.1.1986 only are eligible for this special dispensation and this does not include those employees who have retired as at close of business on 31.12.1985.

(iv) In case of employees retiring on or after 1.1.1986 and before 1.11.1993 in addition to employer's contribution to provident fund received at the time of retirement, the amount of non-refundable withdrawal from Contributory Provident

Fund, if any, should also be refunded to the bank with simple interest at the rate of 6% P.a. from the date of withdrawal till the date of refund by retirees who opt for pension.

In case of employees retiring on or after 1.11.1993 the rate of interest applicable will be the prevailing rates as applicable to provident fund.

(v) Public Sector Banks may send suitable advise to Banking service Recruitment Boards to incorporate a condition to the effect that employees recruited hereafter will be brought within the purview of the pension scheme. A similar condition may also be incorporated in the letter of appointment.

Private Sector and Foreign Banks may also take suitable action in this regard.

### 3. Regulation 4- Qualifying Service

This provision of minimum years of service of 10 years is in relation to the service at the time of retirement upon attaining the age of superannuation, i.e. 58 years or 60 years as the case may be. In other cases, employees should have put in at least 20 years of qualifying service before applying for pension on voluntary retirement.

### 4. Regulation 6- Broken period of service

The broken period of service is the period of service less than 12 months in the total service rendered by the employee at the time of retirement and broken period of service of six months and less than six months shall be ignored and 6 months and 1 day shall be reckoned as 1 year.

### 5. Regulation 11 – Deputation to Foreign offices

An employee who while on deputation to a foreign office opts for paying pension contribution to the bank in respect of his foreign service with a view to counting such service as qualifying service for pension in the bank will have to remit in foreign exchange, monthly pension contribution to the bank at the rate as may be prescribed by the bank.

### 6. Regulation 12- Deputation to organization in India

The period of deputation to any organization in India will count as qualifying service for pension if the organization agrees to pay to the bank pension contribution at the rate as may be stipulated by the bank.

If the organization to which the employee is being deputed is not agreeable to pay the pension contribution, the employee will have to pay such contribution to the bank every month during the period of his deputation. A clause to this effect may be incorporated in the terms and conditions of deputation of the employee.

7. Regulation 13 and 14 – Addition to Qualifying Service

This special dispensation is restricted to officers who have been appointed by relaxation of age beyond the age prescribed for the specialist posts considering the additional qualifications or experience over and above what is prescribed for the post. As such it is not available for specialists who are appointed as per normal eligibility.

**Chapter III**  
**Classes of Pension**

8. Regulation 16- Premature Retirement Pension

All provisions of service Regulations/Service Rules/ Settlements governing premature retirement shall also be applicable in case of Premature Retirement Pension.

9. Regulation 17- Pension on Voluntary Retirement

- (i) An employee resigning from services irrespective of number of years of service put in by him/her is not eligible for pension. The special dispensation for voluntary retirement after 20 years of service is part of a new dispensation introduced in the pension scheme and will become effective only from the date of introduction of the regulations.
- (ii) Voluntary retirement is a special dispensation which forms part of the Pension Regulations and is only for members of the Pension Scheme and not for those who are outside the purview of the Pension Scheme.
- (iii) The number of years of service to be added under this regulation is restricted to the number of years of service available to an employee before he completes 33 years of service or the age of superannuation whichever is less. For example, if an employee takes voluntary retirement at the age of 56 years (superannuation by 58 years) and has put in 29 years of service, the number of years to be added to the service is only 2 years. (58-56).

10. Regulation 18- Invalid Pension

- (i) An employee who desires to seek retirement on invalid pension should apply for the same to the competent authority who may direct him to the Bank's Medical Officer for examination. A certificate of incapacity for further service obtained by an employee without prior knowledge of the competent authority will not be valid.
- (ii) An employee who is considered eligible for invalid pension should be deemed as retired from the date of his relief which should be arranged expeditiously after the

procedure of medical examination and production of medical certificate from the Bank's Medical Officer is completed. If such an employee is already on leave, the retirement should take effect after expiry of the leave already sanctioned.

- (iii) The Bank's Medical officer should be specially advised that in each case he should first consider whether the employee can be continued in service in terms of sub-regulation (iii) of Regulation 18 and only if there is no such possibility; retirement on invalid pension should be considered.

## **Chapter V**

### **Family Pension**

#### **11. Regulation 22**

- (i) Pay for the purpose of family pension will mean the pay drawn by an employee immediately before retirement or on the date of his death while in service.
- (ii) If on the date of death while in service or immediately before retirement (in the case of a Pensioner) an employee was on extraordinary leave without pay, his pay will mean the pay drawn immediately before proceeding on such leave.
- (iii) If on the date of his death while in service or immediately before retirement (in the case of a pensioner) an employee had been absent from duty on leave with pay and allowances, his pay should be taken at what it would have been had he not been on leave.
- (iv) If on the date of his death while in service or immediately before retirement (in the case of a pensioner) an employee had been on extraordinary leave in continuation of another kind of leave with pay, his pay will mean the last pay drawn.



## **Chapter VII**

### **Commutation**

#### **12. Regulation 24**

- (i) If fraction of pension to be commuted results in fraction rupee, such fraction of a rupee shall be ignored for purpose of commutation. For example,  $\frac{1}{3}^{\text{rd}}$  of the pension of Rs. 1000 offered for commutation works out to Rs. 333.33 The fraction in a rupee i.e.33 paise will be ignored and the pensioner will be allowed to commute Rs 333/only. However, if the amount of commutation contains fraction of a rupee, it will be rounded off to the next to the next higher rupee.
  
- (ii) Commutation is permissible on the minimum pension of Rs 375/720 sanctioned where the actual calculation works out to less than Rs.375/720 depending on the date on which the employee has retired.

**This Trust Deed** is made at on this ..... day of ..... One thousand Nine Hundred and Ninety Four BETWEEN (Name of the Bank), a Banking Company registered under the Banking Regulations Act, 1949 and constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 and having its (") office at ..... as the Settler (hereinafter referred to as the "Bank ") (which expression shall unless it be repugnant to the meaning or context thereof would mean and include its successors and assigns) of the ONE PART and S/Shri

(1) .....	(2) .....
(3) .....	(4) .....
(5) .....	(6) .....

Indian Inhabitants, \*(hereinafter referred to as the "Trustees" (#) (which expression shall unless it be repugnant to the meaning or context thereof would mean and include the Trustee or Trustees hereof appointed from time to time or survivor or survivors of his or their successors, appointed as per the rules and regulations) of the OTHER PART:

AND

(1) .....	(2) .....
(2) .....	(4) .....
(5) .....	(6) .....

being the present Trustees of (Name of the Bank) Provident Fund being the Confirming Party so referred to;

AND WHEREAS by a Memorandum of Settlements/ Joint Notes dated 29<sup>th</sup> October, 1993, between the management of banks represented by Indian Banks Association and their employees as represented by their Unions/ Associations, it has been interalia, agreed to introduce Pension as Second Retrial Benefit Scheme in lieu of Contributory Provident Fund as set out in more detail in the said Memorandum of Settlements/ Joint Notes,

---

(\*) Registered/Central/Head

(#) Number of Trustees as may be determined by the Bank

AND WHEREAS the said Bank is desirous of setting up a Fund to be called (Name of the Bank) Employees Pension Fund on Trust and the Trustees have at the request to the Bank, agreed to act as the first Trustees of the said Trust and these presents.

AND WHEREAS the Bank desires to transfer the Fund to the Trustees on the execution of these presents or soon thereafter as may be convenient to the Bank held by the Trustees on trust and subject to the powers and .....here in after contained.

#### NOW THIS INDENTURE WITNESS AS FOLLOWS

1. This Trust will be known as (Name of the Bank) Pension Fund.
2. The Fund shall be governed by the Rules and Regulations as set out in Schedule I here to or as amended from time to time as provided therein which shall be binding on the members and/ or the beneficiaries as defined under the Rules.
3. The Fund shall be deemed to have been established and the Rules and Regulations shall be deemed to have taken effect from 1<sup>st</sup> day of November, 1993 notwithstanding the date hereof.
4. These presents shall constitute a Trust upon and subject to the Rules and Regulations and the laws for the time being in force in India which Trust shall be irrevocable and no moneys or properties belonging to the fund in the hands of the Trustees shall be recoverable by any person or by the Bank or any one making contributions, subscription or donation nor shall any person or the Bank have any lien or charge of any description on the Fund.
5. The Funds of the Trust shall be constituted of the Following.
  - i) All the moneys transferred by the Trustees of the (name of the Bank) Provident Funds in respect of such employees of the (Name of the Bank) who exercised option in accordance with the Rules and Regulations to become members of (Name of the Bank) Pension Fund. Such transfer of moneys shall be the entire balance of the Bank's contribution held by the Trustees of (Name of the Bank) Provident Fund contribution held by the Trustees of the (Name of the Bank) Provident Fund along with accrued interest thereon.
  - ii) All the moneys received from retired employees who on or after 1.1.1986 and who exercised option in accordance with the Rules and Regulations to become members of (Name of the Bank) Pension Fund. Such moneys shall be the bank's entire contribution to the provident fund including interest received with further simple interest at the rate of 6 percent per annum from the date of withdrawal of the Provident Fund amount till the date of refund.
  - iii) Contributions made by the Bank from time to time in accordance with the rules and regulations and as provided under Rule 2 of the Rules and Regulations set out in the Schedule hereto.
6. The confirming parties have signed these presents and have agreed to transfer the entire contribution of the Bank to the Provident Fund along with accrued interest thereon in respect of the employees of the Bank who have exercised option of becoming members of (Name of the Bank) Pension Fund in accordance with the Rules and Regulations set out in the schedule hereto.

In witness where of the parties hereto have set and subscribed their respective hand and seal hereunto on the day and year first hereinabove mentioned.

**SIGNED SEALED AND DELIVERED**

The within named (Name of the Bank)

In the presence of .....)

SIGNED SEALED AND DELIVERED BY)

1.

2.

3.

4.

5.

6.

Trustees in the presence of )

SIGNED SEALED AND DELIVERED BY )

1.

2.

3.

4.

5.

6.

Confirming Party in  
the presence of

## **SCHEDULE**

### **RULES AND REGULATIONS OF (NAME OF THE BANK) BANK EMPLOYEES PENSION FUND.**

1. In these Rules unless there is something repugnant in the subject or context.

#### **DEFINITIONS**

- a) "Beneficiary means an employee in respect to whom Pension is payable under these rules and shall include employee's widow/widower children or dependent on his/ her death as provided in the Pension Regulations.
- b) "The Bank shall mean (Name of the Bank) and every power, authority and discretion vested in the Bank shall be exercisable by the Board of Directors of the Bank.
- c) "Contribution" means any sum paid by the Bank out of its monies to the Trustees of the Fund, but does not include any sums credited as interest.
- d) "Employee" will have the same meaning as in Pension Regulations.
- e) "Financial Year" and "Accounting Year" mean a period of 12 months ending on 31<sup>st</sup> March every year.
- f) "Fund" means (Name of the Bank) Employees Pension Fund, 1993 established by these rules.
- g) "Pay" will have the same meaning as in Pension Regulations.
- h) "Completed year of service" means continuous service for one year.
- i) "Pension Regulations" means (Name of the Bank) Employees (Pension) Regulations, 1993 governing the Pension Regulations in the Bank.
- j) "Trustees" shall mean the Trustees for the time being of the Fund, acting in conformity with these presents.
- k) "Trust" shall mean the Trust under which the Pension Fund is established.
- l) "Masculine shall include Feminine"
- m) "Family" will have the same meaning as in the Pension Regulations.
- n) "Annual Renewal Date" in relation to the Fund shall mean the 1st day of April, 1994 and 1st day of April in each subsequent years.
- o) "Qualifying Service" .....
- p) "Contributory Service" means continuous service for which contribution is made for the employee.
- q) "Act" means Income Tax Act, 1961.

2. These Rules are intended for the purpose of establishing the fund in India as an "Approved Pension Fund" within the meaning of Part 'a' of the Fourth

Schedule of the Act. These Rules in conjunction with the detailed Rules formed for the conducts of the Pension Scheme hereinafter known as (Name of the Bank) Employees (Pension) Regulations, 1993 shall deem to have come into force with effect from 1<sup>st</sup> November 1993.

3. The fund shall consist of the contribution as specified hereafter received by the Trustees of accumulations thereof and, of securities purchased therewith and interest there on and of any capital gains arising from the capital assets of the Fund and of no Other sums. The Trustees shall have entire custody of management and control thereof.
4. The object of the Fund is to provide superannuation benefit to the employees as per the Pension Regulations.
5. The Trust shall have atleast two trustees provided that a Company (as defined in substation-clause (1) of sub-section (i) of Section 3 of the Companies Act, 1956 (1 of 1956) or a Bank incorporated under the Banking Regulation Act, 1949 shall not be appointed as a Trustee without the prior approval of the Commissioner of Income Tax.  
The Trustees of the Fund shall be resident in India and any Trustee who leaves India permanently shall vacate his office.
6. The Bank shall have the power of appointment and removal of Trustees, may also appoint any person to act as a Trustee in the place of any Trustee who is temporarily absent from India, but in case of such temporary appointment, it shall not be necessary to carry out any transfer of the Trust's properly.
7. The Trustees shall comply with and carry out all such direction as evidenced by a resolution of the Board of Directors of the Bank as may be given to them by the Bank from time to time in relation to any matter with respect to which the Bank has power under this deed or under the Rules to determine or decide and certificates from the Bank as to the admission to membership of an employee or as to the death of any member or his retirement, resignation or dismissal from the service of the Bank or as to any other relevant matters shall constitute a good and sufficient an authority to the Trustees and shall be conclusive as to all facts stated therein. Every such direction or certification shall be notified to the Trustees in writing signed by any person authorised in this behalf by the Chief Executive of the Bank. Any such notification as aforesaid shall be a complete protection to the Trustees in respect of any matter therein referred to notwithstanding any error or lack of authenticity in such notification.
8. In addition to and not by way of substitution for all indemnities conferred on Trustees at Common Law and by Statute, no Trustee shall be liable for the

acts, receipts, neglects or defaults of any other Trustees or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Fund through the insufficiency or deficiency of title to any security in or upon which any loss occasioned by any error of judgement on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of his duties as Trustees or in relation thereto, unless the same shall happen through his own default. The Trustees shall to be indemnified by the Bank against all proceedings, cost and expenses occasioned by any claims in connection with the Trust not arising from their wilful negligence or dishonesty.

9. The Trustees shall keep all necessary books of accounts showing the .....
10. All monies contributed to the Fund or received or accruing by way of interest or otherwise to the Fund shall, within a reasonable time from the date of contribution, receipt or accrual as the case may be and be invested in pattern as per Rule 67 of Income Tax Rules, 1962 as amended from time to time and payable both in respect of a capital and interest in India.
11. The Trustees shall have power at any time and from time to time to sell, vary, transfer, or change any investment forming part of the Fund into or for other of the nature hereby authorised. To carry out the requirements of Rules 10 and 22 the Trustees shall be empowered with all necessary powers by which they can open and operate with signature of any two of the Trustees, the account of the Fund with any Schedule Bank or Post Office and to give authority to the Bank for investments in the manner prescribed under Rule 67 of Income Tax Rules, 1962 of the Fund money and collection of the interest thereto:-  
It shall not be obligatory on the Trustees to cause themselves to be registered as the holders of any securities constituting investments belonging to the Trust and such securities may be subscribed or purchased or held in the name or names of scheduled bank or scheduled Banks preferably the bank with which the account is opened.
12. The amount of pension shall be paid by the Trustees, such pension shall be payable and paid only in India.
13. Membership of the fund will be subject to the conditions detailed in the Pension Regulations.
14. No employee shall be eligible for membership of the Fund unless he has established his correct age to the satisfaction of the Bank.
15. The membership of the Fund shall not confer any right or interest on the member or any person claiming from or through him in the amounts standing

to the credit of the member's account in the Fund or in any other monies of the Fund and the member will duly be entitled to such pension if any, which may be expressly payable under the Rules set out in the Pension Regulations.

Nothing in these rules shall be deemed to prejudice in any way the rights of the Bank to terminate the employment of a member.

16. Every employee shall retire on attaining the age as applicable to him] as per the service conditions set out in the Officers Service Regulations/ Service Rules/ Bipartite Settlements.

17. **CONTRIBUTIONS**

These shall be paid by the Bank to Trustees in respect of each employee the contribution of ... % o this pay every month or within 15 days from end of the previous month.

These shall also be paid by the bank in consultation with Actuary and the bank contribution to meet the shortfall in the requirement of the scheme.

PROVIDED that the contribution payable by the bank in any year in respect of any member in terms or sub-paragraph (i) shall not exceed 25% of the salary paid to the members during the year.

18. The Bank may from time to time direct the Trustees to apply any amount for the time being standing to the credit of the surplus account or any part of such amount towards a contribution payable by the Bank and such application shall not be deemed to be withdrawal or recovery by the Bank of its contribution to the Fund.
19. The Bank agrees to furnish to the Trustees all particulars regarding the members and such other information as may be in its possession as the Trustees may require for the purpose of actuarial valuation of the contribution required to be made by the Bank. All the expenses incurred by the Trustees for the management of Fund including audit and actuarial fees shall be borne by the Bank.
20. No pension shall be payable except in the event provided in Pension Regulations.
21. For the purpose of Family Pension and to receive monies due under the Pension Fund the person authorised will be as per the Pension Regulations for Family Pension.
22. It shall be the duty of the Bank to furnish to the Trustees on request .....as may be in its possession to enable the Trustees to .....time under the Rules and to effect the payments. For the purpose of making such



payment Trustees shall be at liberty shall be at liberty in their discretion either to have recourse to any amount in their Post Office Saving Account and/ or schedule Bank Account and/or to realise the investments or to call upon the bank to pay the amount of its contribution then accrued but unpaid. Trustee shall in all cases be allowed a reasonable period not exceeding three months from the date when any such payment becomes due and payable within which to make the payment required and no claim for interest shall lie in respect of such period.

23. No money belonging to the Fund shall be receivable by the Bank under any circumstances nor shall the Bank have any lien or charge on the Fund.
24. If any employee assigns or creates a charge upon his beneficial interest in the Fund, the Income Tax Officer shall give notice to the employee that if he does not secure cancellation of the assignment or charge within two months of the date of receipt of notice, the consideration received from such assignment or charge shall be deemed to be income received by him in the previous year in which the interest becomes known to the Income Tax Office and shall be assessed accordingly.
25. Where the Bank is to be wound up the Trustees shall on the notice of such winding up being received from the bank close the Fund from the date of receipt of such notice of winding up and with the prior approval of and subject to such conditions as may be imposed by the Commissioner make satisfactory arrangement for the payment of pension to the existing beneficiaries on the basis if their employment had been terminated by the Bank on the date of receipt of the notice of winding up.
- 25 (a) where the Bank's trade or undertaking is to be wound up or discontinued, the trustees shall, with the prior approval of, and subject to such conditions as may be imposed by the Chief Commissioner or Commissioner make satisfactory arrangement for the payment of pension to the existing beneficiaries.
26. If the Fund is to be amalgamated with any other Fund such amalgamation shall be subject to the prior approval and subject to such condition as may be imposed by the Commissioner.
27. The Trustees shall have power to alter or abrogate as in force the Rules or substitute new Rules with previous approval of the Bank and the Commissioner of Income Tax and every such alteration, abrogation or New Rules or Rules shall be binding upon the employees with effect from such date as the Trustees with the aforesaid approval may determine.

28. These Rules shall be interpreted by the Trustees whose decision thereon shall be final and binding. The Trustees shall communicate to this Commissioner of Income Tax any such decision which has bearing to the interpretation of the provisions of Income Tax Act, 1961 and Rules made there under.
29. Where there is repugnance between any of the Rules of the Fund and any provision of the Income Tax Act, 1961 or the Rules made there under, the Rule will to the extent of the repugnance be ineffective If the Commissioner so requires, the Trustees shall remove such repugnance from the Rules of the Fund.
30. If the Fund for any reason ceases to be an approved Pension Fund under the Rules, the Trustees shall nevertheless remain liable to tax on any pension payable to an employee.
31. Where any Pension is paid to an employee during his life time, the Pension shall be treated as salary paid to the employee for the purpose of this Act.
32. Where any contributions by the Bank (including the interest thereon, if any) are repaid to the Bank the amount so repaid shall be deemed for the purpose of Income Tax to be the income of the employee of the previous year in which they are so repaid.

THE COMMON SEAL OF (NAME OF THE BANK) EMPLOYEES PENSION

SIGNED AND DELIVERED BY the  
within named

IN WITNESS WHEREOF

**Minutes of the meeting of the  
Small committee on Pension  
held on 26<sup>th</sup> March 1994.**

Pursuant to the Settlement/ Joint Note on Pension signed by IBA with the workmen unions/officers organisations on 29<sup>th</sup> October 1993, a small committee consisting of representatives from IBA and major unions was formed in which representatives of BEF I and INBEF were included subsequently, to go into details of the pension regulations covering applicability, qualifying service, amount of pension, payment of pension, commutation, family pension, up dating and other general conditions. The terms of reference for the committee was to formulate regulations to be adopted by individual boards of the banks for setting up pension fund. This was to be done on similar lines as Reserve Bank of India Pension Regulations applicable to Reserve Bank of India employees and Central Civil Services (Pension) Rules applicable to Central Government employees, by making suitable modifications in relation to its applicability to the banking industry. The committee consisting of IBA representatives and workmen unions deliberated on the draft regulations prepared by the IBA Secretariat on 8<sup>th</sup>/9<sup>th</sup> December 1993, 18<sup>th</sup>/19<sup>th</sup> January 1994, 25<sup>th</sup> February 1994.

In view of the vacation of the injunction by the Calcutta High Court on 16<sup>th</sup> 1994 and the urgency to give effect to the Settlement/Agreement on pension it was decided that, IBA may circulate the draft of the pension regulations to the banks on 17.3.1994.

The following changes have been made in the scheme subsequent to its circulation to the banks:-

1. Definition of Retirement under (2) (j) (iv) of Chapter I may be substituted as under:-

“Compulsory retirement as per provisions of the Service Regulations/ Service Rules/ Settlements”. .....

..... Service may be substituted as under:

“Resignation or dismissal or termination of an employee from the service shall entail forfeiture of his entire service and consequently shall not qualify for pension.”

There is no change in the note.

3. Regulation 19 (i) of Chapter III on Compassionate Allowance may be substituted as under:

“An employee of the bank who is dismissed or terminated from service shall forfeit his pension”.

4. Regulation 22 (ii) of Chapter V on Family Pension may be substituted as per enclosure.

The draft circulated was mutually accepted by the parties. The following points were further discussed and accepted:

1. For part time employees on scale wages, pensionable service should not be taken on pro rata basis but service rendered in terms of number of years should be reckoned on the pattern adopted by RBI.
2. **Formula for updating** pension should be on the lines of the same given in the Reserve Bank pension scheme. Any change therein should be introduced only after mutual agreement.
3. Since every bank does not have its appointed medical officer a provision may be made for examination by a medical officer to be nominated by the bank.
4. Employees who were in service as on 1.11.1993 but who are since deceased, their family/ dependant may be given the option to opt for pension as also the benefit of commutation of pension.
5. Competent authority for the purpose of receipt of application for commutation should be the Branch Manager or department head.
6. Netting of commutation and CPF refund should be provided.

It was decided to discuss the following points further.

1. Military service should be counted for the purpose of pension in the pattern in the Reserve Bank of India pension scheme.
2. Dearness relief on special allowance component of pension should be paid at appropriate rates.
3. Provision for forfeiture of gratuity should not be made in the pension scheme.

It was also decided that the following clarification shall be communicated by the IBA to the banks by means of guidelines.

1. The term settlement appearing under Regulation 2 (o) of chapter I in the Pension Regulations would include Bank Level Settlement/s wherever necessary.

2. Pension will be recalculated in case of those employees ..... on account of wage revision.
3. Interpretation of any of the clauses of the Pension Scheme shall be at the industry level.

For INDIAN BANKS ASSOCIATION

For ALL INDIA BANK  
EMPLOYEES ASSOCIATION

For National Confederation  
of Bank Employees

For BANK EMPLOYEES FEDERATION  
OF INDIA

For INDIAN NATIONAL BANK  
EMPLOYEE'S FEDERATION

(ii) The ordinary rates of family pension will be as under:-

(a) In respect of employees who retired prior to 1.11.1993:-

Range (Bank Pay including Stagnation Increments Plus allowance which rank for provident fund)	Amount of monthly Family Pension (For this purpose 'pay' will comprise of the same items as in Regulation 20 (iv) (s))
Upto Rs. 1500/-	30% of 'Pay' (Basic Family Pension) plus 30% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 375/- p.m.
Rs. 1501/- to Rs. 3000/-	20% of 'Pay' (Basic Family Pension) plus 20% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 450/- p.m
Above Rs. 3000/-	15% of 'Pay' (Basic Family Pension) plus 15% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 600/- p.m and maximum of Rs. 1250/- p.m.

(a) In respect of employees retiring  
on or after 1.11.1993:

Range (Basic Pay including Stagnation Increments plus allowance which rank for provident fund plus increment component of Fixed Personal Allowance plus Dearness Allowance upto 1148 points)	Amount of monthly Family Pension (For this purpose 'Pay' will comprise of the same item as in Regulation 20 (iv) (b))
Upto Rs. 2870/-	30% of 'Pay' (Basic Family Pension) plus 30% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 720/- p.m.
Rs. 2871/- to Rs. 5740/-	20% of 'Pay' (Basic Family Pension) plus 20% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 860/- p.m
Above Rs. 5740/-	15% of 'Pay' (Basic Family Pension) plus 15% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 1150/- p.m and maximum of Rs. 2400/- p.m.

Note:

In the case of permanent part time employee the minimum and maximum amounts of family Pension shall be in proportion to the rate of scale wages applicable.

(i) Dearness relief is not payable on Additional Family Pension.

**Minutes of the meeting of the  
small committee on Pension  
held on 26<sup>th</sup> March 1994**

Pursuant to the Settlement/Joint Note on Pension signed by IBA with the workmen unions/officers organisations on 29<sup>th</sup> October 1993. A small committee consisting of representatives from IBA and major unions was formed in which representatives of BEFI and INBEF were included subsequently, to go into details of the pension regulations covering applicability, qualifying service, amount of pension, payment of pension, commutation, family pension, up-dating and other general conditions. The terms of reference for the committee was to formulate regulations to be adopted by individual boards of the banks for setting up pension fund. This was to be done on similar lines as Reserve Bank of India Pension Regulations applicable to Reserve Bank of India employees and Central Civil Services ( Pension Rules) applicable to Central Government employees, by making suitable modifications in relation to its applicability to the banking industry. Two separate Committees consisting of IBA representatives and representatives of officers associations/workmen unions deliberated on the draft regulations on various dates.

In view of the vacation of the injunction by the Calcutta High Court on 16<sup>th</sup> March 1994 and the urgency to give effect to the Settlement/ Agreement on pension IBA with the consent of the unions/ associations circulated the draft of the pension regulations to the banks on 17.03.1994.

The draft as circulated by IBA was adopted by the Committee subject to the following reservations on part of the union representatives:-

1. Eligibility of officers who resigned after 20 years of service, between 1.1.1988 and 31.10.1993.
2. Counting of services rendered in another bank for the purpose of pension.....
3. ....
4. Eligibility of officers who retired from service on 31.12.1988.
5. Eligibility for consolidation of basic pay with dearness allowances at 1145 points CPI Index, in case of those who retired on 31.10.1989.
6. Dearness relief to be paid on the same basic as that of serving officers.
7. Option to the family of the employees/officers who died during the period from 1.1.1988 to 31.10.1993 or till the actual date of regulations coming into effect.
8. Provision in regard to payment of gratuity under Regulations 25 (v) (b) to be deleted.

9. Consolidation of basic pay by including DA up to 600 points in the case of retirees between 1.1.1986 to 31.10.1987.
10. Medical examination in the case of retirees prior to 31.10.1993 may be waived.
11. Military service should be counted for the purpose of pension after providing for refund of the terminal benefits drawn by them.
12. Dearness relief should be available on the special allowance component of the pension also.

The following changes have been proposed by 1BA in the scheme subsequent to its circulation to the banks:-

1. Definition of Retirement under (2) (j) (iv) of Chapter I may be substituted as under:-  
 "Compulsory retirement, as per provisions of the Service Regulations/ Service Rules/ Settlements."
2. Regulation 10 of Chapter 11 on Forfeiture of Service may be substituted as under:-  
 "Resignation or dismissal or termination of an employee from the service shall entail forfeiture of his entire service and consequently shall not qualify for pension."  
 There is no change in the note.
3. Regulation 19 (i) of Chapter III on Compassionate Allowance may be substituted as under:-  
 "An employee of the bank who is dismissed or terminated from service shall forfeit his pension."
4. Regulation 22 (ii) of Chapter V on family Pension may be substituted as per enclosure:-  
 It is agreed that Annexure to this minutes may be substituted for Regulation 22 (ii).

The following points were discussed and accepted:-

1. Provision to note VI under Regulation 20 to be reworded to make the sense clear.
2. Not to Regulation 25 (vii) to be amended by substituting means for includes.
3. Medical examination by a medical officer nominated by the .....  
 .....may be permitted.
4. In the case of employees in service as .....  
 ..... unable to exercise option because of death, the family should get the benefit of option and commutation of pension.



5. Prior permission to take up commercial employment within two year upon retirement as in RBI Pension Regulations.

It is agreed that the points raised by the IBA as well as the unions will be discussed with a view to sorting out as early as possible.

For: Indian Banks Association

For All India Bank Officers  
Confederation

For All India Bank Officers  
Association

For All India National Bank  
Officers Congress

(II) The ordinary rates of family pension will be as under:-

(a) In respect of employees who retired prior to 1.11.1993:-

Range (Bank Pay including Stagnation Increments Plus allowance which rank for provident fund)	Amount of monthly Family Pension (For this purpose 'pay' will comprise of the same items as in Regulation 20 (iv) (a))
Upto Rs. 1500/-	30% of 'Pay' (Basic Family Pension) plus 30% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 375/- p.m.
Rs. 1501/- to Rs. 3000/-	20% of 'Pay' (Basic Family Pension) plus 20% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 450/- p.m
Above Rs. 3000/-	15% of 'Pay' (Basic Family Pension) plus 15% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 600/- p.m and maximum of Rs. 1250/- p.m.

In respect of employees retiring on or after 1.11.1993:

Range (Basic Pay including Stagnation Increments plus allowance which rank for provident fund plus increment component of Fixed Personal Allowance plus Dearness Allowance upto 1148 points) Upto Rs. 2870/-	Amount of monthly Family Pension (For this purpose 'Pay' will comprise of the same item as in Regulation 20 (iv) (b))
Rs. 2871/- to Rs. 5740/-	30% of 'Pay' (Basic Family Pension) plus 30% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 720/- p.m.
Above Rs. 5740/-	20% of 'Pay' (Basic Family Pension) plus 20% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 860/- p.m 15% of 'Pay' (Basic Family Pension) plus 15% of allowance which rank for Provident Fund but not for Dearness Allowance (Additional Family Pension) subject to a minimum of Rs. 1150/- p.m and maximum of Rs. 2400/- p.m.

Note:

- (ii) In the case of permanent part time employee the minimum and maximum amounts of family Pension shall be in proportion to the rate of scale wages applicable.
- (iii) Dearness relief is not payable on Additional Family Pension.