



Circular No.242-2010-BC-PD-53-SWD

Date: 16-09-2010

PERMANENT UTILITY

**SYNDICATE BANK (EMPLOYEES') PENSION REGULATIONS 1995 –
EXTENDING ANOTHER OPTION TO JOIN THE EXISTING PENSION SCHEME**
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Reference is drawn to circulars No.138/1994/BC dated 7.6.1994 and No.226/1995/BC dated 4.11.1995 regarding introduction of Pension Scheme in our Bank.

In terms of settlement dated 27.4.2010 signed with the Workmen Unions and Joint Note dated 27.4.2010 signed with Officersø Organisations, we are now required to extend another option for pension to the non-optees who were in the services of the Bank prior to 29.09.1995 and continued to be in the service on or after the said date and did not opt for pension earlier.

Terms and conditions in this regard are furnished in the Annexure to the circular. A copy of the Bipartite Settlement with the Workmen Unions and Joint Note with the Officersø Organisations for extending another option to join the Pension Scheme is also enclosed as Annexures 4, 5 & 6.


The cost of another option of pension for the serving employees and the grant of pension to the retirees assessed by the actuaries based on the estimates of each bank will be closely supervised by the Monitoring Committee of the Government. The banks which exceed the cost than the Actuarial Report would need to explain to the Government. Monitoring in this regard may be carried out every quarter at the Bankø Board level.

The Bank reserves its right to modify/change any of the clauses/provisions dealt with in this circular as and when warranted under the circumstances that may be encountered, without any other specific notice in this behalf. If at all there is any difference of opinion regarding interpretation of any of the provisions of this circular, the Bank may examine the same. However, decision of the Bank in this regard is final and binding on the concerned parties.

A copy of this circular may be circulated among the employees working in the branch/office, besides displaying a copy thereof on the Office Notice Board. The format of option letters is provided in Annexures 1, 2 & 3 and the same is available in our Bankø website also.

Clarifications required, if any, on this circular may be sought from **PERSONNEL DEPARTMENT – STAFF WELFARE DIVISION** at Head Office, Manipal, through respective RO, as per extant guidelines.

LINWA : YRSIO : YRULD
Check Word



(S.S. Shet)
GENERAL MANAGER (P)

ANNEXURE**TERMS AND CONDITIONS OF EXTENDING ANOTHER OPTION
TO JOIN THE PENSION SCHEME
to those who did not opt for pension earlier****ELIGIBILITY:**

The following categories of the employees are eligible to join the Pension scheme under the new option.

1. Those who were in the service of the Bank prior to 29.9.1995 and continued to be in the service of the Bank on or after the said date.
2. Those who were in the service of the Bank prior to 29.9.1995 and continued to be in the service on or after the said date and retired on superannuation after that date.
3. Family members of those employees who were in the service of the Bank before 29.9.1995 and retired on superannuation/Special VRS 2000 after that date and died subsequently.
4. Family members of those employees who were in the services of the Bank on 29.9.1995 and died while in the service of the Bank after that date.
5. Officer/workmen employees retired voluntarily under Special VRS 2000 after rendering a minimum of 15 years of service.

MODALITIES OF NEW OPTION:

1. Serving (Officer/workmen) employees:
 - Exercise an option in writing within 60 days from **17.09.2010 (i.e., on or before 15.11.2010)** to become a member of the Pension Fund. (Annexure-1)
 - Authorise the Trustee of the Provident Fund of the Bank to transfer the entire Bank's contribution of PF (including management portion of NRW if any with interest) along with interest accrued thereon to the credit of Pension Fund.
 - Authorise the Bank to transfer an amount equivalent to 2.8 times of their revised 'öPAY' for the month of November 2007 from the arrears paid to them on account of wage revision to the credit of pension fund.
2. Employees who were in the service of the Bank prior to 29.9.1995 and retired after that date but prior to 27.4.2010:
 - Exercise an option in writing within 60 days from **17.09.2010 (i.e., on or before 15.11.2010)** to become a member of Pension Fund (Annexure-2)
 - Refund within 30 days after expiry of the said period of 60 days, i.e. **on or before 15.12.2010**, the entire amount of Bank's contribution to the Provident Fund (alongwith management portion of NRW if any with interest) and interest accrued thereon received by the employee on retirement and the differential portion of the PF received if any while implementing the 9th BPS/Joint Note dated 27.04.2010 together with 56% of the said total amount.
3. Employees who were in the service of the Bank prior to 29.9.1995 and retired on or after 27.4.2010.
 - Exercise an option in writing within 60 days from **17.09.2010 (i.e., on or before 15.11.2010)** to become a member of Pension Fund (Annexure-1).
 - Refund within 30 days after expiry of the said period of 60 days, i.e. **on or before 15.12.2010**, the entire amount of Bank's contribution to the Provident Fund (including management portion of NRW if any with interest) and interest accrued thereon received by the employee on retirement and the differential portion of the PF received if any while implementing the 9th BPS/Joint Note together with 2.8 times of their revised 'öPAY' for the month of November 2007.

4. Eligible family members of those employees who were in the service of the Bank prior to 29.9.1995, retired after that date and died before 27.04.2010.
 - Eligible family members of the deceased employee may exercise an option in writing within 60 days from **17.09.2010 (i.e., on or before 15.11.2010)** to become a member of Pension Fund. (Annexure-3)
 - Refund within 30 days after expiry of the said period of 60 days, i.e. **on or before 15.12.2010**, the entire amount of Bank's contribution to the Provident Fund (including management portion of NRW if any with interest) and interest accrued thereon received by the deceased employee on retirement and the differential portion of the PF received if any while implementing the 9th BPS/Joint Note dated 27.04.2010 together with 56% of the said total amount.
5. Family of those Employees who were in the service of the Bank prior to 29.9.1995 but died while in the service of the Bank on or after 27.04.2010.
 - Family of the deceased employee may exercise an option in writing within 60 days from **17.09.2010 (i.e., on or before 15.11.2010)** to become a member of Pension Fund.(Annexure-3)
 - Refund within 30 days after expiry of the said period of 60 days, i.e. **on or before 15.12.2010**, the entire amount of Bank's contribution to the Provident Fund (including management portion of NRW if any with interest) and interest accrued thereon received by the deceased employee on retirement and the differential portion of the PF received if any while implementing the 9th BPS/Joint Note dated 27.04.2010 together with 2.8 times of his/her revised 'Pay' for the month of November 2007.
6. The employees who ceased to be in the service on account of Special Voluntary Retirement Scheme 2000 after rendering service for a minimum period of 15 years shall be eligible to exercise an option to join the pension scheme subject to the terms and conditions mentioned for retired employees opting for joining the scheme.
7. **Employees who ceased to be in the service of the Bank on or after 29.09.1995 by any other mode of voluntary retirement other than under the special VRS 2000 Scheme shall not be eligible to opt for pension. Similarly, employees who have been imposed with punishment of compulsory retirement, dismissal, termination etc. as per the provisions of service rules/service conditions are not eligible to opt for pension. Likewise, employees who have gone on VRS under the existing VRS scheme of the Bank and those who have resigned from the services of the Bank are also not eligible to opt for pension scheme.**
8. Pension/Family pension to those who opt to join the Pension Scheme shall be payable w.e.f. 27.11.2009 or from the next day of his/her retirement whichever is later. All other terms and conditions of Syndicate Bank Employees' Pension Regulations 1995 shall be applicable to those who opt for Pension Scheme in terms of Joint Note/Memorandum of Settlement dated 27.04.2010.
9. The officers/workmen employees who have not opted for pension earlier but wish to exercise their option for joining Pension Scheme may submit their option through their Branch/Office in the prescribed format provided in the annexures to this circular.
10. The ex-employees who have retired on superannuation/Special VRS 2000 and the family members of the deceased employees who are eligible under the above scheme and desirous of opting for joining the Pension Scheme are required to submit the option letter as per the annexure, duly completed in all respects through their nearby Branch where they have their account.
11. It may be noted that the option letter should be strictly as per the annexure provided to this circular and any alteration shall render the option invalid. Any communication/letter/ correspondence in any other form sent by the employees/retired employees/family members prior to the date of this circular **shall not be entertained** by the Bank as a valid option.

12. Please note that the last date for submitting option letter by the employees/ex-employees/family members of the deceased employees **will be 15.11.2010. THE OPTION ONCE EXERCISED SHALL BE FINAL AND IRREVOCABLE.**
13. **Those employees who have joined the Bank during the period from 29.09.1995 to 31.03.2010 need not opt for pension as they are automatically covered under the Syndicate Bank Employees' Pension Regulations 1995.** The existing Pension Scheme will not be applicable to those who joined the Bank on or after 01.04.2010, as they are covered under Defined Contributory Pension Scheme on the lines of new Pension Scheme introduced for employees of Central Govt. Hence there is no question of such employees submitting any option letters for pension under the present exercise.
14. Steps are taken separately to advise those who retired from the service from 29.09.1995 in the last known address, the following information as available in the Bank's records.
 - (a) The amount of Bank's contribution to PF with interest paid to him/her at the time of retirement including management contribution portion of NRW, if any, with interest.
 - (b) 56% of the above amount representing his/her share in the funding gap.
 - (c) The lumpsum amount he/she may get if he/she exercises his/her option to join the pension scheme and choose to commute 1/3rd of basic pension.

GENERAL INSTRUCTIONS:

1. The exercise of pension option in terms of this circular is subject to/pending necessary amendments to Syndicate Bank (Employees) Pension Regulations 1995.
2. Employees/ex-employees/family members of the deceased employees who desire to join the Pension Scheme under the new option should submit their option letter as per the prescribed formats provided in the annexures to this circular in quadruplicate to the Head of the Branch/Office. **It may be noted that to be eligible for family pension son/daughter of the deceased employee shall not be more than 25 years of age/not be married/not employed with salary more than ₹ 3500/- per month.**
3. The first copy shall be forwarded by the Branch/Office to HO:SWD, second copy shall be forwarded to their respective Regional Office, retaining the third copy in the individual file maintained at the Branch/Office. The fourth copy shall be acknowledged with date and seal of the Branch and delivered to the optees. In case of ex-employees/family of deceased employees, the second copy shall be forwarded to the **Regional Office from where they retired/last worked.**
4. The Branches/offices should forward the option letters to HO:SWD **immediately** on submission of the same.
5. Before acknowledging option letters submitted by ex-employees and family members of the deceased employees, the Branch should ensure that option letters are duly completed in all respects. Any proof of employment in our Bank like appointment/transfer order, relieving letter, salary slip shall be obtained from them and enclosed to the copy of the option letter sent to HO:SWD.
6. In terms of Syndicate Bank Employees' Pension Regulations 1995, **medical examination is mandatory** for a retired employee who seeks commutation of pension after one year from the date of retirement and shall be permitted subject to the medical examination only. **Family pensioners are not eligible for commutation facility.**
7. All retirees/family of the deceased employee shall ensure that they have a operative SB account with any of our Branches while opting for pension/family pension.
8. Collection account will be opened at HO:SWD and informed to all the Branches to enable them to refund the eligible amount by the ex-employees/family of the deceased employees and also for transfer of 2.8 times of the pay withheld and credited to suspense at the time of payment of arrears to the employees.

Annexure-1

**OPTION FORM TO BE FILLED IN BY THE EMPLOYEES
WHO ARE IN THE SERVICE OF THE BANK
(including those retired on or after 27.04.2010)**

To

The General Manager (P)
Syndicate Bank
STAFF WELFARE DIVISION,
Head Office, **MANIPAL - 576 104**

I hereby declare that I have read and understood the terms of Settlement/Joint Note dated 27.04.2010 for extending another option to join Pension Scheme. I have understood that the terms of the Settlement/Joint Note have been arrived at on the basis of the Unions/Associations offering to contribute 30% of the initial funding gap assessed for extending another option for joining the pension scheme. I am agreeable to the said contribution of 30% towards the initial funding gap and hereby voluntarily opt to become a member of the Bank's Pension Scheme as per the provisions of the said Settlement/Joint Note and to cease to be a member of Contributory Provident Fund Scheme and irrevocably authorise the Bank /Trustees of the Contributory Provident Fund to transfer the entire contribution of the Bank (including management portion of NRW if any with interest) along with entire interest accrued thereon to the credit of Pension Fund created for this purpose. I also irrevocably authorise the Bank to transfer to the pension fund an amount equal to 2.8 times of my revised pay for the month of November 2007 representing my share in the 30% contribution mentioned above from the arrears payable to me on account of wage revision in terms of Bipartite Settlement/Joint Note dated 27.4.2010.

Signature : _____
Name in Full : _____
Employee Number : _____
Designation : _____
Present Residential Address : _____
Contact phone/mobile No. : _____
Contact e-mail Id. : _____

(Signature attested)*

DATE: NAME :
DESIGNATION :
SIGNATURE NO. :

BRANCH SEAL

Note: Additions/alternations in the text of the above form will render the option invalid.

For Office Use only

Option noted on _____

CHIEF MANAGER

*(To be attested by the Head of the branch/office affixing the seal with date)

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Annexure-2**OPTION FORM TO BE FILLED IN BY THE EMPLOYEES
WHO RETIRED BETWEEN 29.09.1995 AND 26.04.2010**

To

The General Manager (P)
Syndicate Bank
STAFF WELFARE DIVISION,
Head Office, **MANIPAL - 576 104**

Place:

Date :

I hereby declare that I have read and understood the terms of Settlement/Joint Note dated 27.04.2010 for extending another option to join Pension Scheme. I have understood that the terms of the Settlement/Joint Note have been arrived at on the basis of the Unions/Associations offering to contribute 30% of the initial funding gap assessed for extending another option for joining the pension scheme. I am agreeable to the said contribution of 30% towards the funding gap and hereby voluntarily opt to become a member of the Bank's Pension Scheme as per the provisions of the said Settlement/Joint Note. I undertake to refund the Bank's contribution to Provident Fund (including management portion of NRW if any with interest) together with accrued interest thereon paid to me on my retirement and the differential PF if any received by me on account of the implementation of the 9th BPS/Joint Note plus an amount equal to 56% of the Bank's contribution to Provident Fund with interest received at the time of retirement and implementation of the 9th BPS/Joint Note being 30% contribution towards the initial funding gap in terms of clause no.3(c) of Joint Note dated 27.4.2010 and clause no.2(IV)(b) of the Settlement dated 27.4.2010.

Signature : _____

Name in Full : _____

Employee Number : _____

Designation : _____

Branch/office last worked : _____

Present Residential Address : _____

SB Account Number: : Branch Name

PAN NO. :

Telephone/Mobile No. :

e-mail Id. :

(Signature attested)*

NAME :

DATE: DESIGNATION :

SIGNATURE NO. :

BRANCH SEAL

Note: Additions/alternations in the text of the above form will render the option invalid.**For Office Use only**

1. Option Noted on _____
2. Amount Refunded _____ on _____

CHIEF MANAGER

*(To be attested by the Head of the Branch/Office affixing the seal with date)

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Annexure III**Option form to be filled in by the family of those employees who are eligible for family pension**

To
 The General Manager (P)
 Syndicate Bank
 Staff Welfare Division
 Head Office
MANIPAL 576 104

I hereby declare that I, Sri/Smtí í í í í í í í í , spouse/legal heir of the deceased employee Sri/Smtí í í í í í í í í í í . eligible to submit the option in terms of Regulation 2(o) of Syndicate Bank Employees Pension Regulations, 1995 and I have read and understood the terms of Settlement/Joint Note dated 27.04.2010 for extending another option to join Pension Scheme. I have understood that the terms of the Settlement/Joint Note have been arrived at on the basis of the Unions/Associations offering to contribute 30% of the initial funding gap assessed for extending another option for joining the pension scheme. I am agreeable to the said contribution of 30% towards the funding gap and hereby voluntarily opt for Bank's Pension Scheme as per the provisions of the said Settlement/Joint Note. I undertake to refund the Bank's contribution to Provident Fund (including management portion of NRW if any with interest) together with accrued interest thereon paid to my husband/wife/father/mother/son/ daughter (delete which ever is not applicable) on his/her death while in service/retirement and the differential PF if any received by him/her on account of the implementation of the 9th BPS/Joint Note plus an amount equal to 56% of the said total or 2.8 times of the revised Pay for the month of November 2007 as the case may be, being 30% contribution towards the initial funding gap in terms of Joint Note dated 27.04.2010 and Settlement dated 27.04.2010.

Signature : í ..
 Name in Full : í ..
 Present Residential Address : í .
 í .

Contact Telephone/Mobile No. & e-mail ID:
 Relationship with the deceased retired employee:
 Account No. with the Branch Name :
 Name of the deceased retired employee & Emp. No.
 Designation:
 Branch/Office last worked:

(Signature attested)*

NAME
 DESIGNATION

Date Branch Seal SIGNATURE NO.

Note: Additions/alterations in the text of the above form will render the option invalid.

For Office Use only

1. Option noted oní í í í í í í
2. Amount Refunded Rsí í í í í í ..oní í .

CHIEF MANAGER

*(To be attested by the Head of the Branch/Office affixing the seal with date)

Annexure-4**JOINT NOTE ON AGREED CONCLUSIONS REACHED BETWEEN THE INDIAN BANKS' ASSOCIATION ON BEHALF OF THE MANagements OF BANKS LISTED IN THE SCHEDULE AND ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC), ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA), INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC) AND NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)**

- (A) A Joint Note for introducing Pension Scheme in the Banking Industry as second retrial benefit in lieu of Contributory Provident Fund was signed between Indian Banksø Association (IBA) on behalf of Management of Banks and their officers represented by All India Bank Officersø Confederation (AIBOC), All India Bank Officersø Association (AIBOA) and Indian National Bank Officersø Congress (INBOC) on 29th October 1993. The terms of the said Joint Note were incorporated in the Bank Employeesø Pension Regulations, 1995 notified in the official Gazette of India by all the Nationalised Banks on 29th September 1995 and by Associate Banks of State Bank of India on 26th March 1996.
- (B) According to the Joint Note dated 29th October 1993 and Bank Employeesø Pension Regulations, 1995/1996 framed incorporating the terms of Joint Note, Pension in lieu of Contributory Provident Fund was introduced in respect of those Officers who opted for the said Pension Scheme.
- (C) Those Officers who were in the service of the banks prior 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued to be in service of the banks on or after 29th September 1995 /26th March 1996 respectively and did not exercise the option to join the Pension Scheme were eligible only for the Contributory Provident Fund Scheme.
- (D) The United Forum of Bank Unions (UFBU) representing workmen and officers in Banks were requesting to allow another option to those who were in the service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued in service on or after that date and did not opt for pension when offered as per the Scheme. IBA was not agreeable to the demand and reiterated its inability to extend the present Pension Scheme to those who had not opted for pension on cost consideration. However, both the parties agreed to discuss alternate proposals. The same was incorporated in the fifth paragraph of the Joint Note on salary revision for officers dated 2nd June 2005. The UFBU pursued the demand inspite of the above position and offered to share a portion 2 of the initial funding liability on one-time basis for extending pension to the non optees. Protracted negotiations were held between the parties over a period of time. An actuarial valuation of liability by actuaries appointed by mutual consent was carried out and based on this, the funding gap was estimated as ₹6000/- crores. The employees offered to contribute ₹1800/- crores, being 30% of the estimated funding gap, for extending pension to those employees who were in the service of the bank prior to 29th September 1995 in the case of Nationalised banks and 26th March 1996 in case of Associate Banks of State Bank of India and continue to be in service thereafter and did not opt for pension. They had also requested to extend the Pension Scheme to ó
- (a) Those who were in the service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had retired after that date.
- (b) The family of those officers who were in service of Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had died while in service after that date.

- (c) The family of those officers who were in service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, retired from service of the Banks after that date and died thereafter.
- (E) Subject to their opting to be under the Pension Scheme and refunding the banks' contribution to Provident Fund with interest paid to them at the time of retirement/death of the officer concerned and also contribute their share in meeting 30% of the funding gap. An actuarial valuation on similar lines as conducted for serving employees had estimated the funding gap as ₹3115 crores for those retirees/ family of retirees.

The parties held various rounds of discussions in the matter and have now reached conclusions as set out hereunder:

- (1) All officers who are in the service of the bank as on the date of this Joint Note who exercise option to join the Pension Scheme in terms of this Joint Note will contribute from their arrears on account of wage revision in terms of the Joint Note between the parties dated 27th April 2010 an amount of ₹922 crores towards their share in the amount of ₹1800 crores offered by UFBU towards 30% of the estimated funding gap of ₹6000 crores. The said amount is worked out @2.8 times of the revised pay for the month of November 2007, for individual officers. Another option for joining the existing Pension Scheme shall be extended to those Officers who -
- (2) (a) were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continue in the service of the bank on the date of this Joint Note;
- (b) exercise an option in writing within 60 days from the date of offer, to become a member of the Pension Fund and
- (c) authorise the Trust of the Provident Fund of the bank to transfer the entire contribution of the bank along with interest accrued thereon to the credit of the Pension Fund.
- (3) (a) were in service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and retired after that date and prior to the date of this Joint Note;
- (b) exercise an option in writing within 60 days from the date of offer to become a member of the Pension Fund and
- (c) refund within 30 days after expiry of the said period of 60 days, the entire amount of the banks contribution to the Provident Fund and interest accrued thereon received by the officer on retirement together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause (3), (4) and (5) of this Joint Note. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the officer on retirement.
- (4) The family of those officers who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India retired after that date and had died will be eligible for family pension, provided that
- (a) the family of the deceased officer exercises option in writing within 60 days of the offer to become a member of the Pension Fund and
- (b) refund within 30 days after expiry of the said period of 60 days, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received by the deceased officer on retirement together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause (3), (4) and (5) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the officer on retirement.
- (5) The family of those officer who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India,

- but have died while in service of the bank after that date will be eligible for family pension, provided 6
- (a) the family of the deceased officer exercises an option in writing within 60 days of the offer to become a member of the Pension Fund and
 - (b) refund within 30 days after expiry of the said period of 60 days, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received upon death of the employee together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause (3), (4) and (5) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received on death of the officer.
- (6)
 - i) The existing pension scheme will not be applicable to those who join the services of banks on or after 1st April 2010.
 - ii) Officers joining the services of banks on or after 1st April 2010 shall be eligible for the Defined Contributory Pension Scheme, the banks will be introducing for them. The Defined Contributory Pension Scheme proposed to be introduced for them will be one as governed by the provisions of New Pension System introduced for employees of Central Government w.e.f. 1st January 2004 and as modified from time to time. The Scheme shall be regulated and administered by the Pension Fund Regulatory and Development Authority (PFRDA).
 - iii) The officers joining the services of the banks on or after 1st April 2010 shall contribute 10% of Pay and Dearness Allowance towards the Defined Contributory Pension Scheme and the bank shall make a matching contribution in respect of these officers.
 - iv) There shall be no separate Provident Fund for officers joining services of Banks on or after 1st April 2010.
 - (7) Officers who ceased to be in service on or after 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India on account of voluntary retirement under special scheme after rendering service for a minimum period of 15 years, shall be eligible to exercise an option to join the Pension Scheme subject to the terms and conditions mentioned for retiring officers opting for joining the Scheme.
 - (8) Pension/ Family Pension to those who opt to join the pension scheme complying with the terms of this Joint Note shall be payable with effect from 27th November 2009, provided that officers who retired after that date shall get pension from the respective dates of their retirement. All the Regulations of the Bank Employees' Pension Regulations, 1995 / 1996 shall be applicable to those who opt for the Pension Scheme in terms of this Joint Note except to the extent mentioned in the foregoing Clauses of this Joint Note.
 - (9) The terms of this Joint Note shall not be applicable to State Bank of India.
 - (10) The conclusions arrived and recorded in the above Clauses together with a copy of the Scheme of Pension will be forwarded to the Government by the IBA for their approval and further action in terms of Section 19 of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 by complying with the procedure for amendment of the relevant Pension Regulations.
 - (11) The terms of this Joint Note shall be applicable to officers of Private Sector Banks who are parties to this Joint Note in respect of those who were in the service of the bank on date of implementation of the Pension Scheme in terms of the Joint Note dated 29th October 1993 and did not opt for pension.
 - (12) National Organisation of Bank Officers (NOBO), which is not a party to the Joint Note dated 29th October 1993, hereby endorses all the terms of the said Joint Note.

- (13) The Associations which are parties to this Joint Note agree that during the operation of this Joint Note, they will not raise any demand of any nature whatsoever on any banks in respect of matters covered by this Joint Note.
- (14) Any difference of opinion regarding interpretation of any of the provisions of this Joint Note, the matter will be taken up only at the level of the Indian Banks' Association and the Officers' Associations for discussion.

Mumbai

Dated: 27th April 2010

For Indian Banks' Association

1. M V Nair
2. R Sridharan
3. Narayanan Raja
4. K Ramakrishnan
5. Rajeev Rishi
6. B B Das
7. K Unnikrishnan
8. M Venugopalan

For All India Bank Officers' Confederation

1. K S Shetty
2. G D Nadaf
3. P V Mathew
4. P K Sarkar
5. T T Natarajan
6. K Ananda Kumar
7. T N Goel
8. S K Kohli
9. K Ramakoteswara Rao
10. G Muthuswamy
11. K D Kheda

For All India Bank Officers' Association

1. Alok Khare
2. R J Sridharan
3. S Nagarajan
4. D K Pauddar
5. Sidharth N Dutta

For Indian National Bank Officers' Congress

1. K K Nair
2. L R Prem Kumar
3. Subhash W Choudhari
4. V Ramamohan Reddy

For National Organisation of Bank Officers

1. M S Bhagwat
2. A N Madhusudan
3. Dr. Sunil U Deshpande
4. S K Rathod

**SCHEDULE
LIST OF BANKS**

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab & Sind Bank
14. Punjab National Bank
15. Syndicate Bank
16. UCO Bank
17. Union Bank of India
18. United Bank of India
19. Vijaya Bank
20. State Bank of India
21. State Bank of Bikaner & Jaipur
22. State Bank of Hyderabad
23. State Bank of Indore
24. State Bank of Mysore
25. State Bank of Patiala
26. State Bank of Travancore
27. Bank of Rajasthan Ltd.
28. The Catholic Syrian Bank Ltd.
29. The Dhanalakshmi Bank Ltd.
30. The Federal Bank Ltd.
31. ING Vysya Bank Ltd
32. The Jammu & Kashmir Bank Ltd.
33. The Karnataka Bank Ltd.
34. The Karur Vysya Bank Ltd.
35. The Lakshmi Vilas Bank Ltd.
36. The Nainital Bank Ltd.
37. The Ratnakar Bank Ltd.
38. The South Indian Bank Ltd.
39. ABN-AMRO Bank, N.V.
40. Bank of America N.A.
41. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
42. BNP Paribas
43. Citibank, N.A.
44. The Hongkong & Shanghai Banking Corporation Ltd.
45. Sonali Bank
46. Standard Chartered Bank

Annexure-5

MEMORANDUM OF SETTLEMENT DATED 27TH APRIL 2010 BETWEEN THE INDIAN BANKS' ASSOCIATION ON BEHALF OF THE MANagements LISTED IN THE SCHEDULE AND THEIR WORKMEN REPRESENTED BY ALL INDIA BANK EMPLOYEES' ASSOCIATION (AIBEA), NATIONAL CONFEDERATION OF BANK EMPLOYEES (NCBE), BANK EMPLOYEES' FEDERATION OF INDIA (BEFI), INDIAN NATIONAL BANK EMPLOYEES' FEDERATION (INBEF) AND NATIONAL ORGANISATION OF BANK WORKERS (NOBW)
(Under Section 2(p) and Section 18(1) of the Industrial Disputes Act, 1947 read with Rule 58 of the Industrial Disputes (Central) Rules,1957)

Names of the Parties	46 Banks which are listed in Schedule I to this Memorandum of Settlement and their workmen.
Representing the Employers (Member Banks)	1) Shri M V Nair 2) Shri R Sridharan 3) Shri Narayanan Raja 4) Shri K Ramakrishnan 5) Shri B B Das 6) Shri Rajeev Rishi 7) Shri K Unnikrishnan 8) Shri M Venugopalan
Duly authorised on behalf of the Indian Banks' Association	
Representing the Workmen	1) Shri Rajen Nagar 2) Shri C H Venkatachalam 3) Shri N K Gaur 4) Shri P N Tewari 5) Shri Mahesh Mishra 6) Shri J P Sharma 7) Shri V R Utagi 8) Shri B S Rambabu 9) Smt. Lalita Joshi 10) Shri D D Rustagi 11) Shri P R Karanth 12) Shri V K Sharma 13) Shri Satish R Khanolkar 14) Shri Gour Das 15) Shri P P Varghese 16) Shri R Vijayakumar 17) Shri E Arunachalam All India Bank Employees' Association
	1) Shri L Balasubramanian 2) Shri S A Kadri 3) Shri Milind Nadkarni 4) Shri Prakash Gangal 5) Shri R K Sharma 6) Shri K K Khosla 7) Shri B C Kalita 8) Shri S Srinivasan 9) Shri M V Murali 10) Shri Peter Anto Nellissery 11) Shri P A Manjunatha 12) Shri K Raja Kurup 13) Shri Shyamal Karmakar 14) Shri J N Singh 15) Shri S D Mishra National Confederation of Bank Employees

Names of the Parties	46 Banks which are listed in Schedule I to this Memorandum of Settlement and their workmen.
Representing the Workmen	1) Shri P S Pillai 2) Shri Pradip Biswas 3) Shri G M V Nayak 4) Shri K Krishnan 5) Shri B Prasad 6) Shri P K Sarangi 7) Shri M R Shenoy 8) Shri M V Madhav Rao Bank Employees' Federation of India
	1) Shri Subhash S Sawant 2) Shri R Kunjithapatham 3) Shri S George Timothy 4) Shri Siddharath Menon 5) Shri Dharanidhar Swain 6) Shri Ishwar S Puthran 7) Shri Barun Sarbadhikari 8) Shri Shyam Mukhopadhyay Indian National Bank Employees' Federation
	1) Shri Dinesh Kulkarni 2) Shri Ashwani Kumar Rana 3) Shri K R Poonja 4) Shri Mohan Kumtakar 5) Shri Ramanath Kini 6) Shri M B Harinarayanan 7) Shri Manmohan Gupta 8) Shri K S Jayaram National Organisation of Bank Workers

SHORT RECITAL OF THE CASE

- (A) A Memorandum of Settlement for introducing Pension Scheme in the Banking Industry as second retiral benefit in lieu of Contributory Provident Fund was signed between Indian Banks Association (IBA) on behalf of Management of Banks and their workmen represented by the All India Bank Employees Association (AIBEA), National Confederation of Bank Employees (NCBE) and Indian National Bank Employees Federation (INBEF) on 29th October 1993. Bank Employees Federation of India (BEFI), by way of a separate Settlement with IBA dated 23rd June 1994 endorsed the said Settlement signed on 29th October 1993. The terms of the said Settlement were incorporated in the Bank Employees Pension Regulations, 1995 notified in the official Gazette of India by all the Nationalised Banks on 29th September 1995 and by Associate Banks of State Bank of India on 26th March 1996.
- (B) According to the Memorandum of Settlements dated 29th October 1993 and Bank Employees Pension Regulations, 1995 for Nationalised Banks and 1996 for Associate Banks of State Bank of India framed incorporating the terms of Settlements, Pension in lieu of Contributory Provident Fund was introduced in respect of those employees who opted for the said Pension Scheme.
- (C) Those employees who were in the service of the banks before 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued to be in service of the banks on or after 29th September 1995 / 26th March 1996 respectively and did not exercise the option to join the Pension Scheme were eligible only for the Contributory Provident Fund Scheme.

- (D) The United Forum of Bank Unions (UFBU) representing workmen and officers in Banks were requesting to allow another option to those who were in the service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued in service on or after that date and did not opt for pension when offered as per the Scheme. IBA was not agreeable to the demand and reiterated its inability to extend the present Pension Scheme to those who had not opted for pension on cost consideration. However, both the parties agreed to discuss alternate proposals. The same was incorporated in Clause (G) of the Short Recital of the Case in VIIIth Bipartite Settlement dated 2nd June 2005. The UFBU pursued the demand inspite of the above position and offered to share a portion of the initial funding liability on one-time basis for extending pension to the non-optees. Protracted negotiations were held between the parties over a period of time. An actuarial valuation of liability by actuaries appointed by mutual consent of the parties was carried out and based on this, the funding gap was estimated as ₹6000/- crores. The employees offered to contribute ₹1800/- crores, being 30% of the estimated funding gap, for extending pension to those employees who were in the service of the bank prior to 29th September 1995 in the case of Nationalised banks and 26th March 1996 in case of Associate Banks of State Bank of India and continue to be in service thereafter and did not opt for pension. They had also requested to extend the Pension Scheme to
- (a) Those who were in the service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had retired after that date.
 - (b) The family of those employees, who were in service of Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had died while in service, after that date.
 - (c) The family of those employees who were in service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, retired from service of the Banks after that date and died thereafter.

Subject to their opting to be under the Pension Scheme and refunding the banks' contribution to Provident Fund with interest paid to them at the time of retirement/ death of the employee concerned and also contribute their share in meeting 30% of the funding gap. An actuarial valuation on similar lines as conducted for serving employees had estimated the funding gap as ₹3115 crores for those retirees/ family of retirees.

- (E) The parties held various rounds of discussions in the matter.

**NOW IT IS HEREBY AGREED AND DECLARED BY AND BETWEEN THE PARTIES
HERETO AS UNDER:**

TERMS OF SETTLEMENT

- (1) All workmen employees are in the service of the bank as on the date of this Settlement who exercise option to join the Pension Scheme in terms of this Settlement will contribute from their arrears on account of wage revision in terms of the Settlement between the parties dated 27th April 2010 an amount of ₹878 crores towards their share in the amount of ₹1800 crores offered by UFBU towards 30% of the estimated funding gap of ₹6000 crores. The said amount is worked out @2.8 times of the revised pay for the month of November 2007, for individual workmen employees.
- (2) Another option for joining the existing Pension Scheme shall be extended to those employees who:-
 - (I) (a) were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continue in the service of the bank on the date of this Settlement;

- (b) exercise an option in writing within 60 days from the date of offer, to become a member of the Pension Fund and
 - (c) authorise the Trust of the Provident Fund of the bank to transfer the entire contribution of the bank along with interest accrued thereon to the credit of the Pension Fund.
- (II) (a) were in service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and retired after that date and prior to the date of this Settlement;
- (b) exercise an option in writing within 60 days from the date of offer to become a member of the Pension Fund and
 - (c) refund within 30 days after expiry of the said period of 60 days, the entire amount of the banks contribution to the Provident Fund and interest accrued thereon received by the employee on retirement together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause 2(II),2 (III) and 2(IV) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the employee on retirement.
- (III) The family of those employees who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India retired after that date and died will be eligible for family pension, provided ó
- (a) the family of the deceased employee exercises option in writing within 60 days of the offer to become a member of the Pension Fund and
 - (b) refund within 30 days after expiry of the said period of 60 days, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received by the deceased employee on retirement together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause 2(II),2 (III) and 2(IV) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the employee on retirement.
- (IV) The family of those employees who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, but have died while in service of the bank after that date will be eligible for family pension, provided ó
- (a) the family of the deceased employee exercises an option in writing within 60 days of the offer to become a member of the Pension Fund and
 - (b) refund within 30 days after expiry of the said period of 60 days mentioned above, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received upon death of the employee together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause 2(II),2 (III) and 2(IV) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received on death of the employee.

- (3) (i) The existing pension scheme will not be applicable to those who join the services of banks on or after 1st April 2010.
 - (ii) Employees joining the services of banks on or after 1st April 2010 shall be eligible for the Defined Contributory Pension Scheme, the banks will be introducing for them. The Defined Contributory Pension Scheme proposed to be introduced for them will be one as governed by the provisions of New Pension System introduced for employees of Central Government w.e.f. 1st January 2004 and as modified from time to time. The Scheme shall be regulated and administered by the Pension Fund Regulatory and Development Authority (PFRDA).
 - (iii) The employees joining the services of the banks on or after 1st April 2010 shall contribute 10% of Pay and Dearness Allowance towards the Defined Contributory Pension Scheme and the bank shall make a matching contribution in respect of these employees.
 - (iv) There shall be no separate Provident Fund for employees joining services of Banks on or after 1st April 2010.
- (4) Employees who ceased to be in service on or after 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India on account of voluntary retirement under special scheme after rendering service for a minimum period of 15 years, shall be eligible to exercise an option to join the Pension Scheme subject to the terms and conditions mentioned for retiring employees opting for joining the Scheme.
 - (5) Pension/ Family Pension to those who opt to join the pension scheme complying with the terms of this Settlement shall be payable with effect from 27th November 2009, provided that employees who retired after that date shall get pension from the respective dates of their retirement. All the Regulations of the Bank Employees Pension Regulations, 1995 / 1996 shall be applicable to those who opt for the Pension Scheme in terms of this Settlement except to the extent mentioned in the foregoing Clauses of this Settlement.
 - (6) The terms of this Settlement shall not be applicable to State Bank of India.
 - (7) The terms of this Settlement shall be incorporated in the Bank Employees Pension Regulations, 1995 dated 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India respectively by complying with the procedure for amendment of the relevant Pension Regulations.
 - (8) The terms of this Settlement shall be applicable to employees of Private Sector Banks who are parties to this Settlement in respect of those who were in the service of the bank on date of implementation of the Pension Scheme in terms of the Settlement dated 29th October 1993 and did not opt for pension.
 - (9) National Organisation of Bank Workers (NOBW), which is not a party to the Pension Settlement dated 29th October 1993, hereby endorses all the terms of the said Settlement.
 - (10) The provisions of the Bipartite Settlement dated 29th October 1993 on pension shall stand amended/ modified or superseded to the extent and in the manner detailed hereinabove.
 - (11) The provisions of the Bipartite Settlement dated 29th October 1993 which have not been amended/ modified or superseded by this Settlement shall continue to be in operation.
 - (12) The Unions who are parties to this Settlement agree that during the operation of this Settlement, they will not raise any demand of any nature whatsoever on any banks in respect of matters covered by this Memorandum of Settlement.
 - (13) Copies of this Memorandum of Settlement will be jointly forwarded by the parties to the authorities listed in Rule 58 of the Industrial Disputes (Central) Rules, 1957 so that terms of and conditions thereof are binding on the parties as provided in law.

(14) Any difference of opinion regarding interpretation of any of the provisions of this Settlement, the matter will be taken up only at the level of the Indian Banks' Association and the Workmen Unions for discussion and Settlement.

Mumbai

Dated: 27th April 2010

Indian Banks' Association (S/Shri)

M V Nair
R Sridharan
Narayanan Raja
K Ramakrishnan
B B Das
Rajeev Rishi
K Unnikrishnan
M Venugopalan

All India Bank Employees' Association (S/Shri)

Rajen Nagar
C H Venkatachalam
N K Gaur
P N Tewari
Mahesh Mishra
J P Sharma
V R Utagi
B S Rambabu
Smt. Lalita Joshi
E Arunachalam

National Confederation of Bank Employees

(S/Shri)
L Balasubramanian
S A Kadri
Milind Nadkarni
Prakash Gangal
R K Sharma
K K Khosla
B C Kalita
S Srinivasan
M V Murali
Peter Anto Nellissery

Bank Employees' Federation of India

(S/Shri)
P S Pillai
Pradip Biswas
G M V Nayak
K Krishnan

Indian National Bank Employees' Federation (S/Shri)

Subhash S Sawant
R Kunjithapatham
S George Timothy
Dharanidhar Swain

National Organisation of Bank Workers (S/Shri)

Dinesh Kulkarni

Ashwani Kumar Rana

K R Poonja

Mohan Kumtakar

WITNESSES

(S/Shri)

K Ganesan	Smt. W Ferreira	D D Rustagi	P R Karanth
Gour Das	P A Manjunatha	K Raja Kurup	Shyamal Karmakar
B Prasad	P K Sarangi	Siddharath Menon	Barun Sarbadhikari
Ramanath Kini	M B Harinarayanan		

CC TO: 1. Assistant Labour Commissioner (Central)
2. Regional Labour Commissioner (Central)
3. Chief Labour Commissioner (Central), New Delhi
4. The Secretary to the Government of India, Ministry of Labour, New Delhi.

**SCHEDULE
LIST OF BANKS**

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab & Sind Bank
14. Punjab National Bank
15. Syndicate Bank
16. UCO Bank
17. Union Bank of India
18. United Bank of India
19. Vijaya Bank
20. State Bank of India
21. State Bank of Bikaner & Jaipur
22. State Bank of Hyderabad
23. State Bank of Indore
24. State Bank of Mysore
25. State Bank of Patiala
26. State Bank of Travancore
27. Bank of Rajasthan Ltd.
28. The Catholic Syrian Bank Ltd.
29. The Dhanalakshmi Bank Ltd.
30. The Federal Bank Ltd.
31. ING Vysya Bank Ltd
32. The Jammu & Kashmir Bank Ltd.
33. The Karnataka Bank Ltd.
34. The Karur Vysya Bank Ltd.
35. The Lakshmi Vilas Bank Ltd.
36. The Nainital Bank Ltd.
37. The Ratnakar Bank Ltd.
38. The South Indian Bank Ltd.
39. ABN-AMRO Bank, N.V.
40. Bank of America N.A.
41. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
42. BNP Paribas
43. Citibank, N.A.
44. The Hongkong & Shanghai Banking Corporation Ltd.
45. Sonali Bank
46. Standard Chartered Bank

Annexure-6**MEMORANDUM OF SETTLEMENT DATED 27TH APRIL 2010 BETWEEN THE INDIAN BANKS' ASSOCIATION ON BEHALF OF THE MANagements LISTED IN THE SCHEDULE AND THEIR WORKMEN REPRESENTED BY BANK KARMACHARI SENA MAHASANGH.**

(Under Section 2(p) and Section 18(1) of the Industrial Disputes Act, 1947 read with Rule 58 of the Industrial Disputes (Central) Rules, 1957).

<u>Names of the Parties</u>	<u>46 Banks which are listed in Schedule I to this Memorandum of Settlement and their workmen</u>
Representing the Employers (Member Banks)	<ol style="list-style-type: none"> 1. Shri M V Nair 2. Shri R Sridharan 3. Shri Narayanan Raja 4. Shri K Ramakrishnan 5. Shri B B Das 6. Shri Rajeev Rishi 7. Shri K Unnikrishnan 8. Shri M Venugopalan <p style="text-align: center;">Duly authorized on behalf of the Indian Banks' Association.</p>
Representing the Workmen	<ol style="list-style-type: none"> 1. Shri Sudhir Joshi 2. Shri Anil Desai 3. Shri Rajan Tulaskar 4. Shri Nitin Kamath 5. Shri Anand Kabadi 6. Shri Milind Gawankar 7. Shri Ashok Jadhav 8. Shri Parag Surve 9. Shri Arun Kotkar 10. Shri Vijay Parkar <p style="text-align: center;">Bank Karmachari Sena Mahasangh</p>

SHORT RECITAL OF THE CASE

- (A) A Memorandum of Settlement for introducing Pension Scheme in the Banking Industry as second retiral benefit in lieu of Contributory Provident Fund was signed between Indian Banks' Association (IBA) on behalf of Management of Banks and their workmen on 29th October 1993. The terms of the said Settlement were incorporated in the Bank Employees' Pension Regulations, 1995 notified in the official Gazette of India by all the Nationalised Banks on 29th September 1995 and by Associate Banks of State Bank of India on 26th March 1996.
- (B) According to the Memorandum of Settlements dated 29th October 1993 and Bank Employees' Pension Regulations, 1995 for Nationalised Banks and 1996 for Associate Banks of State Bank of India framed incorporating the terms of Settlements, Pension in lieu of Contributory Provident Fund was introduced in respect of those employees who opted for the said Pension Scheme.
- (C) Those employees who were in the service of the banks before 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Bank of State Bank of India and continued to be in service of the banks on or after 29th September 1995/26th March 1996 respectively and did not exercise the option to join the Pension Scheme were eligible only for the Contributory Provident Fund Scheme.

(D) The Bank Karmachari Sena Mahasangh representing workmen in Banks were requesting to allow another option to those who were in the service of the Banks prior to 29th September 1995 in case of Nationalised Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued in service on or after that date and did not opt for pension when offered as per the Scheme. IBA was not agreeable to the demand and reiterated its inability to extend the present Pension Scheme to those who had not opted for pension on cost consideration. However, both the parties agreed to discuss alternate proposals. The same was incorporated in Clause (E) of the Short Recital of the Case in VIIIth Bipartite Settlement dated 2nd June 2005. The Union pursued the demand inspite of the above position and offered to share a portion of the initial funding liability on one-time basis for extending pension to the non-optees. Protracted negotiations were held between the parties over a period of time. An actuarial valuation of liability by actuaries appointed by mutual consent was carried out and based on this, the funding gap was estimated as ₹6000/- crores. The employees offered to contribute ₹1800/- crores, being 30% of the estimated funding gap, for extending pension to those employees who were in the service of the Bank prior to 29th September 1995 in the case of Nationalised Banks and 26th March 1996 in case of Associate Banks of State Bank of India and continue to be in service thereafter and did not opt for pension. They had also requested to extend the Pension Scheme to ó

- (a) Those who were in the service of the Banks prior to 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had retired after that date.
- (b) The family of those employees, who were in service of Banks prior to 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had died while in service, after that date.
- (c) The family of those employees who were in service of the Banks prior to 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India, retired from service of the Banks after that date and died thereafter.

Subject to their opting to be under the Pension Scheme and refunding the Banks contribution to Provident Fund with interest paid to them at the time of retirement/death of the employee concerned and also contribute their share in meeting 30% of the funding gap. An actuarial valuation on similar lines as conducted for serving employees had estimated the funding gap as ₹3115 crores for those retirees/family of retirees.

(E) The parties held various rounds of discussions in the matter.

NOW IT IS HEREBY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

TERMS OF SETTLEMENT

- (1) All workmen employees who are in the service of the Bank as on the date of this Settlement who exercise option to join the Pension Scheme in terms of this Settlement will contribute from their arrears on account of wage revision in terms of the Settlement between the parties dated 27th April 2010 an amount of ₹878 crores towards their share in the amount of ₹1800 crores offered by the Union towards 30% of the estimated funding gap of ₹6000 crores. The said amount is worked out @ 2.8 times of the revised pay for the month of November 2007, for individual workmen employees.
- (2) Another option for joining the existing Pension Scheme shall be extended to those employees who:-

- (I) (a) were in the service of the Bank prior to 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India and continue in the service of the bank on the date of this Settlement;
- (b) exercise an option in writing within 60 days from the date of offer, to become a member of the Pension Fund and
- (c) authorise the trust of the Provident Fund of the bank to transfer the entire contribution of the Bank along with interest accrued thereon to the credit of the Pension Fund.
- (II) (a) were in service of the bank prior to 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India and retired after that date and prior to the date of this Settlement;
- (b) exercise an option in writing within 60 days from the date of offer to become a member of the Pension Fund and
- (c) refund within 30 days after expiry of the said period of 60 days, the entire amount of the banks contribution to the Provident Fund and interest accrued thereon received by the employee on retirement together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause 2(II), 2 (III) and 2(IV) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the employee on retirement.
- (III) The family of those employees who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks/26th March 1996 in case of Associate Banks of State Bank of India retired after that date and died will be eligible for family pension, provided that
- (a) the family of the deceased employee exercises option in writing within 60 days of the offer to become a member of the Pension Fund and
- (b) refund within 30 days after expiry of the said period of 60 days, the entire amount of the Bank's contribution to the Provident Fund and interest accrued thereon received by the deceased employee on retirement together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause 2(II), 2 (III) and 2(IV) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of Bank's contribution to Provident Fund and interest thereon received by the employee on retirement.
- (IV) The family of those employees who were in the service of the bank prior to 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India, but have died while in service of the Bank after that date will be eligible for family pension, provided that
- (a) the family of the deceased employee exercises an option in writing within 60 days of the offer to become a member of the Pension Fund and
- (b) refund within 30 days after expiry of the said period of 60 days mentioned above, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received upon death of the employee together with his share in contribution towards meeting 30% of ₹3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause 2(II), 2(III) and 2(IV) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received on death of the employee.

- (3) (i) The existing pension scheme will not be applicable to those who join the services of the banks on or after 1st April 2010.
- (ii) Employees joining the services of Banks on or after 1st April 2010 shall be eligible for the Defined Contributory Pension Scheme, the banks will be introducing for them. The Defined Contributory Pension Scheme proposed to be introduced for them will be one as governed by the provisions of New Pension System introduced for employees of Central Government w.e.f. 1st January 2004 and as modified from time to time. The Scheme shall be regulated and administered by the Pension Fund Regulatory and Development Authority (PFRDA).
- (iii) The employees joining the services of the Banks on or after 1st April 2010 shall contribute 10% of Pay and Dearness Allowance towards the Defined Contributory Pension Scheme and the bank shall make a matching contribution in respect of these employees.
- (iv) There shall be no separate Provident Fund for employees joining services of Banks on or after 1st April 2010.
- (4) Employees who ceased to be in service on or after 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India on account of voluntary retirement under special scheme after rendering service for a minimum period of 15 years, shall be eligible to exercise an option to join the Pension Scheme subject to the terms and conditions mentioned for retiring employees opting for joining the Scheme.
- (5) Pension/Family Pension to those who opt to join the pension scheme complying with the terms of this Settlement shall be payable with effect from 27th November 2009, provided that employees who retired after that date shall get pension from the respective dates of their retirement. All the Regulations of the Bank Employees Pension regulations, 1995/1996 shall be applicable to those who opt for the Pension Scheme in terms of this Settlement except to the extent mentioned in the foregoing Clauses of this Settlement.
- (6) The terms of this Settlement shall not be applicable to State Bank of India.
- (7) The terms of this Settlement shall be incorporated in the Bank Employees Pension Regulations, 1995 dated 29th September 1995 in case of Nationalised Banks/26th March 1996 in case of Associate Banks of State Bank of India respectively by complying with the procedure for amendment of the relevant Pension Regulations.
- (8) The terms of this Settlement shall be applicable to employees of Private Sector Banks who are parties to this Settlement in respect of those who were in the service of the bank on date of implementation of the Pension Scheme in terms of the Settlement dated 29th October 1993 and did not opt for pension.
- (9) Bank Karmachari Sena Mahasangh which is not a party to the Pension Settlement dated 29th October 1993, hereby endorses all the terms of the said Settlement.
- (10) The Bank Karmachari Sena Mahasangh which is party to this Settlement agrees that during the operation of this Settlement, it will not raise any demand of any nature whatsoever on any banks in respect of matters covered by this Memorandum of Settlement.
- (11) Copies of the Memorandum of Settlement will be jointly forwarded by the parties to the authorities listed in Rule 58 of the Industrial Disputes (Central) Rules, 1957 so that terms of and conditions thereof are binding on the parties as provided in law.

(12) Any difference of opinion regarding interpretation of any of the provisions of this Settlement, the matter will be taken up only at the level of the Indian Banks' Association and the Bank Karmachari Sena Mahasangh for discussion and Settlement.

Mumbai

Dated: 27th April 2010.

Indian Banks' Association
(S/Shri)

M V Nair
R Sridharan
Narayanan Raja
K Ramakrishnan
B B Das
Rajeev Rishi
K Unnikrishnan
M Venugopalan

Bank Karmachari Sena Mahasangh
(S/Shri)

Anil Desai
Rajan Tulaskar
Nitin Kamath
Anand Kabadi
Milind Gawankar

WITNESSES
(S/Shri)

K Ganesan

Smt. W Ferreira

Rajesh Matkari

Prakash Shinde

- c.c. to:
1. Assistant Labour Commissioner (Central)
 2. Regional Labour Commissioner (Central)
 3. Chief Labour Commissioner (Central), New Delhi
 4. The Secretary to the Government of India, Ministry of Labour, New Delhi.

**SCHEDULE
LIST OF BANKS**

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab & Sind Bank
14. Punjab National Bank
15. Syndicate Bank
16. UCO Bank
17. Union Bank of India
18. United Bank of India
19. Vijaya Bank
20. State Bank of India
21. State Bank of Bikaner & Jaipur
22. State Bank of Hyderabad
23. State Bank of Indore
24. State Bank of Mysore
25. State Bank of Patiala
26. State Bank of Travancore
27. Bank of Rajasthan Ltd.
28. The Catholic Syrian Bank Ltd.
29. The Dhanalakshmi Bank Ltd.
30. The Federal Bank Ltd.
31. ING Vysya Bank Ltd
32. The Jammu & Kashmir Bank Ltd.
33. The Karnataka Bank Ltd.
34. The Karur Vysya Bank Ltd.
35. The Lakshmi Vilas Bank Ltd.
36. The Nainital Bank Ltd.
37. The Ratnakar Bank Ltd.
38. The South Indian Bank Ltd.
39. ABN-AMRO Bank, N.V.
40. Bank of America N.A.
41. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
42. BNP Paribas
43. Citibank, N.A.
44. The Hongkong & Shanghai Banking Corporation Ltd.
45. Sonali Bank
46. Standard Chartered Bank