



**HUMAN RESOURCES DEPARTMENT  
STAFF WELFARE DIVISION  
HEAD OFFICE: MANIPAL**

Ref.No. 006 -2018-BC-HRD-12-SWD

Date: 25.06.2018

**NOTIFICATION**

**REG: ANOMALY IN COMPUTATION OF PENSION W.E.F 01.04.1998 UNDER CIVIL APPEAL NO. 5525 OF 2012 FILED IN THE HON'BLE SUPREME COURT OF INDIA BY BANK OF BARODA & OTHERS WITH OTHER CIVIL APPEALS – PAYMENT OF ARREARS OF PENSION TO ELIGIBLE PENSIONERS RETIRED DURING THE PERIOD 01.04.1998 TO 30.04.2005**

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Indian Banks' Association (HR & Industrial Relations) vide their letter No.HR&IR/2018-19/G2/4786 dated 03.04.2018 and 2018-19/G2/5143 dated 18.05.2018 have informed that as per Joint Note/Bipartite Settlement signed between IBA (representing Member Banks) and Officers' Associations (representing Officers) on 14-12-1999 and 27-3-2000 respectively relating to Wage revision, 1684 points of Consumer Price Index (CPI) were merged with existing Basic Pay of Officers/Employees and revised Basic Pay was worked out accordingly. However, as per agreed terms & conditions, pay for the purpose of pension was worked out after merging 1616 points of CPI as against 1684 points. These provisions were made effective w.e.f. 01-04-1998. As such, pay for the purpose of pension was less than the actual Pay, the Employee/ Officer concerned was getting on or after 01-04-1998. This anomaly was removed vide Joint Note/Bi-partite Settlement signed on 02-06-2005. However, monetary benefits were given w.e.f. 01.05.2005 only.

When the matter ultimately referred to Hon'ble Supreme Court of India, the Apex Court vide its order dated 13.02.2018 have directed to set right the anomaly to those Pensioners who retired from the services of the Bank from 01.04.1998 to 30.04.2005 and the arrears which was due and payable with 9% interest to be calculated and paid within four months from the date of judgement i.e. 13.02.2018.

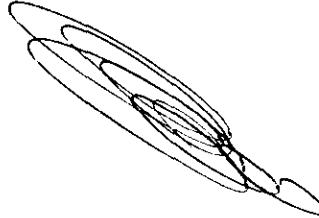
Accordingly, the Indian Banks' Association has directed that –

All Nationalized Banks who have Pension Regulations, 1995 will have to give effect to the judgement and pay the differential arrears in the amount of Pension which was due and payable with 9% interest within 4 months from the date of judgement i.e. 13.02.2018.

**Hence, all those employees retired during the period from 01.04.1998 to 30.04.2005 and opted for Pension are eligible to get the differential arrears with 9% interest. However, employees who have retired during the captioned period, but opted for Pension under 2nd Option Scheme i.e. w.e.f.09.11.2009 are not eligible to get any arrears amount.**

It may be noted that the applicable income tax is to be deducted from the pension arrears and net arrears only to be paid to such pensioners/ family pensioners and the amount is credited to respective pension Account /remitted by issue of TTs, as the case may be. Pensioners are hereby requested to submit their declaration in respect of Provisional Investments, for the FY 2018-19 to the respective pension drawing branch on or before 30.06.2018 based on which the TDS deducted on arrears of pension may be reversed/recredited to their respective SB accounts wherever applicable.

In this regard, we have issued BC cir.No. 215-2018-BC-HRD-53-SWD dated 08.06.2018. For further clarification, if any, may be sought from **pension drawing branch**.



(A STEVEN VAS)

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