



ALL INDIA BANK PENSIONERS & RETIREES CONFEDERATION
(A.I.B.P.A.R.C.)



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Circular no 83-24

Date: August 07, 2024.

For circulation among members of the Governing Council, State Secretaries,
Special Invitees, Advisors, Affiliates, Constituents of CBPRO and Members.

Dear Comrade,

**Sub: Restoration of the commuted portion of Pension - Bank Employees
Pension Regulations 1995 - sub-regulations 41(4) and 41(5)**

We are reproducing here under the text of our letter written on date to The Chairman,
IBA on the above-mentioned subject.

This is for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Encl: As stated

AIBPARC/IBA/Restoration of commuted value/Email/2024 Date: August 07, 2024

**The Chairman,
Indian Bank' Associations,
Mumbai.**

Respected Sir,

**Sub: Restoration of the commuted portion of Pension -
Bank Employees Pension Regulations 1995 - sub-regulations 41(4) and 41(5)**

1. The above Regulation provides for an employee to be entitled to commute a
portion of pension not exceeding one-third of the pension. The lump sum amount
payable to a pensioner is calculated in accordance with the table showing
commutation value for a pension of Re. One per annum, which for a pensioner
superannuating at the age of 60 years is shown as 9.81 which means that



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commuting the pension for 10 years would give him only Rs.9.81 instead of Rs.10 even @ Re.1 per annum. It is thus clear that an employee retiring at 60 years of age is given only a discounted value of the portion of pension commuted by him and not the full value. This lump sum amount successively comes down depending upon the year of commutation after attaining 60 years of age.

2. Regulation 41(5) further provides that the commuted portion of the pension shall be restored after the expiry of the period of fifteen years from the date of commutation.

It has always been a subject matter of anxiety and intrigue that when the lump sum amount payable to a pensioner opting to commute the admissible portion of pension for ten years, is already discounted upfront @ 9.81, why the value of commutation be restored after 15 years instead of 10 years. The Pension Regulations 1995 do not contain any rational basis or justification for continuing the recovery upto 15 years instead of 9.81 or 10 years.

3. It was in this backdrop that some pensioners of the Government of Punjab followed by the Pensioners of the Haryana Government approached the Hon'ble High Court of Punjab and Haryana at Chandigarh and the **High Court was pleased to grant an interim stay on recovery of commuted portion of pension after completion of ten years from the date of commutation.** Those respective Governments have already honoured the orders of the Hon'ble High Court and have issued instructions to the Pension Paying Authorities of their respective Governments. Further Government of Haryana has directed to stop recovery of the commuted portion of the pension for all those who have completed 10 years after the date of commutation subject to final orders from the Court (Govt of Haryana Office of Accountant General (A & E) letter dated 21.6.2024 and Joint Secretary (Finance) in the Office of Additional Chief Secretary, Haryana Government Letter 17.07.2024).

4. Consequent to these developments, the Bank Pensioners falling within the Territorial Jurisdiction of the Hon'ble High Court of Punjab & Haryana, Chandigarh encompassing the States of Punjab & Haryana and Union Territory of Chandigarh also approached the Hon'ble HC, Chandigarh, **invoking Regulation 41 of the Bank Employees Pension Regulations 1995 and the Hon'ble Court was pleased to grant similar stay order directing the respective Banks to stop recovery of the commuted portion of the pension for all the petitioners who have completed ten years from the date of commutation.**

The certified copies of the orders of the Hon'ble Court were sent to the respective Banks' M D & C E O and also GM(HR) by the Advocates for implementation. Some of the banks have already implemented the orders of the Hon'ble High Court, Chandigarh and others are in the process in respect of the batches of the petitioners, who have completed ten years from the date of Commutation. The names of the Banks that have been directed to stop recovery of commutation portion of pension on completion of 10 years, are mentioned below:

1. Union Bank of India
2. Punjab National Bank
3. Punjab & Sind Bank
4. Bank of Baroda
5. State Bank of India
6. Indian Overseas Bank
7. Allahabad Bank/ Indian Bank
8. Bank of India
9. UCO Bank.....

Since the affected pensioners residing in the states of Punjab, Haryana and the Union Territory had primarily approached the Court of Law, they had to make a lot of labour in organizing the whole process



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to get a favourable direction from the Judiciary. We convey our sincerest thanks to all such persons/ organizations who/which have extended a yeomen service to the community of retirees.

Other Banks' pensioners are also in the process of obtaining similar stay orders.

5. In this connection, we wish to recall that in the wake of the reduction in the period of restoration of the commuted portion of Pension by the State Government of Gujarat vide its letter dated 12.10.2022 (Resolution no. NVT/102010/D/66/p- Pension Cell) we had written letter dated 03.11.2022 to IBA and letter dated 29.04.2024 to the Secretary, DFS, Ministry of Finance requesting for reduction in the period of restoration of the commuted portion of the Pension.

It is further submitted that the Banks are implementing the Order of the Hon'ble H.C Chandigarh only in respect of the petitioners. When similarly placed pensioners having completed ten years or more from the date of commutation applied for stopping the recovery from pension, the Banks are declining their request.

In this connection, we wish to submit the following for your kind consideration:

- a. The State Government of Gujarat has reduced the period of recovery for all the Pensioners.
- b. State Government of Haryana has stopped recovery for all the pensioners on the grounds to avoid any further litigation.
- c. Article 14 & 15 of the Indian Constitution enshrines the guarantee of equality before law and prohibition of discrimination.

6. We, therefore, request you to advise all the member banks who were parties to the Pension Settlement and also to State Bank of India to stop recovery of the commuted portion of the pension, in all those cases where the Pensioners have completed 10 years or more from the date of commutation. A kind and sympathetic consideration of our request will help avoid the large number of litigations merely due to the compulsion of Territorial Jurisdiction.

You will appreciate that it shall also be in the fitness of things to stand committed and demonstrate due respect to the Honest Litigation Policy to be followed by IBA and Government of India. The Retirees have limited time and money at their disposal. They should not be forced to approach the Judiciary again and again for unambiguous matters.

With kind regards,

Yours faithfully,

K.V. Acharya.
President, AIBPARC
& Jt. Convenor, CBPRO

Suprita Sarkar
General Secretary