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स्टेट बैंक ऑफ इण्डिया ऑफिसर्स एसोसियेशन  
**State Bank of India Officers' Association (Patna Circle)**

All Letters to be  
Addressed to the  
General Secretary

Regd. No. 1872 of 1975  
(REGISTERED UNDER TRADE UNION ACT - 1926)

State Bank Building  
West Gandhi Maidan  
Patna - 800 001

CIRCULAR NO. 15/2011

DATE : 26.05.2011

TO,  
ALL MEMBERS

**PENSION CEILING LINKED TO 9<sup>TH</sup> BIPARTITE SCALES**

We quote hereunder the text of **AISBOF Circular No. 49 dated 26.05.2011** on the captioned subject, the contents of which are self-explicit.

“One of the issues taken up with our Management, after successful completion of the 9<sup>th</sup> bipartite settlement at industry level was, improvements to SBI Superannuation Scheme. It is not automatic in our Bank to revise the Pension Scheme on account of bipartite settlements. The last revision in Pension Ceiling was considered by the Government of India during 2006, on account of Joint Indefinite Strike by both Staff and Officers Federations from 3<sup>rd</sup> to 9<sup>th</sup> April, 2006.

**2.** However, the Government did not consider our other pension related issues, such as improvements to Family Pension, Commutation formula, D.A formula, and revision in pension ceiling for earlier retirees. The Government referred these issues to a high power committee. The high power committee, after taking two years time, submitted its report to the Government for consideration of some of our demands. We did appear before the committee on 03.04.2007, at Bhubaneswar and presented our case forcefully. Unfortunately, the Government is not responding to our demands of pension at 50% of last drawn pay, improvements in commutation formula, revision of pension of retirees prior to 01.11.2002, improvements to family pension, D.A formula etc.

**3.** Therefore, the steering committee of both Federations gave call for two days strike on 25<sup>th</sup> & 26<sup>th</sup> September 2010; followed by ‘Indefinite Strike’ in the month of December 2010, demanding improvements to pension scheme. We were then told by our Management that, Government is actively considering improvements to our pension scheme and hence requested us for withdrawal

of the strike(s). Accordingly, we deferred the proposed strike(s) during September 2010.

1. The Government of India has now accorded their permission that, pending amendment to SBI Employees Pension Fund Rules, pension may be granted based on the average of last 12 months pay of service from 01.11.2007. Further, the ceiling of pay for calculation of pension at 50% be raised from Rs. 21,040/- to Rs. 31,500/-; the maximum of the pay scale of Scale I officer, with four stagnation increments and if the pay exceeds thereto, then at 40% of pay, subject to a minimum of Rs. 15,750/- pm. While computing the pension, the components of PQP and FPP are not to be taken as part of pensionable pay.

**AMOUNT OF DEARNESS RELIEF:**

With effect from 01.11.2007, dearness relief on pension shall be granted at the same rate as is applicable in the industry i.e., dearness relief shall be payable for every rise or fall of four points over 2836 points in the quarterly average of the All India Average Working Class Consumer Price Index (General) Base 1960=100 at 0.15% of the basic pension.

**COMMUTATION OF PENSION:**

- a. The commutation of pension on the revised pension may be allowed with effect from 01.11.2007.
- b. The pensioners who have opted for commutation, on or after 01.11.2007, shall be eligible for commutation upto lumpsum payment of the fraction not exceeding 1/3 rd of the revised pension. However, if a pensioner had availed of commutation upto a particular fraction of the pension within the overall ceiling, as above, he will be entitled to avail of the additional amount of commutation to the extent of the difference on the basis of the fraction so specified. Accordingly, the pensioners eligible for additional commutation, value would be advised of their eligibility and be further advised that, they have to inform the bank about their option for such commutation within 90 days from the date of receipt of the advise about their eligibility. If the pensioner does not inform the Bank about his option within the stipulated period as above, he will forego his right to claim commutation.
- b. In case of deceased pensioner eligible for additional commutation, the legal heirs are eligible to receive the commutation value of specified portion of the enhanced pension that the pensioner had specified in his original application for commutation. So, the legal heirs would be advised to receive arrears of pension payable to the deceased pensioner with the request to receive it after completion of usual formalities.

**FIXATION OF PENSION IN RESPECT OF RETIREES WHOSE PAST 12 MONTHS FALL PARTLY IN PRE-REVISED SCALE AND PARTLY REVISED PAY SCALE:**

Several Pensioners have retired drawing partly pre-revised (pre 01.11.2007 salary scales) and partly revised pay (effective from 01.11.2007), consequent to last salary revision w.e.f. 01.11.2007. These pensioners to abide by existing instructions, which will provide for calculation of average, pay in past 12 months prior to retirement on the basis of salary as per the 8<sup>th</sup> Bipartite for the period prior to 01.11.2007 and for remaining months on the basis of 9<sup>th</sup> Bipartite pay scales.

**5.** We expressed our protest by rejecting the Pension formula without PQP & FPP components. At our instance, Management has again referred the matter to the Government of India for reconsideration of their decision and inclusion of half of PQP and FPP to basic pension. The proposal is pending with the Government.

**6.** In the mean time Executive Committee Central Board, at its meeting held on 26/05/2011, at Delhi has decided to amend the SBI Pension Fund Rules with the revised formula without half of PQP and FPP. Our representative on the Board, Com.G.D.Nadaf, has registered protest against exclusion of PQP and FPP from the calculation of Pension. The Management has assured us that, they are following up the matter with the Government for inclusion of PQP and FPP in the formula and sought our co-operation in the matter.

**7.** According to the revised formula w.e.f. 01.11.2007 pension will be calculated as under:

**(i) Upto B.P. of Rs. 31,500/ pm - 50% of the pay**

**(ii) B.P above Rs. 31,500/- pm - 40% of the pay with a minimum of Rs 15,750/- p.m**

1. Comrades, the above revision will take care of pension at revised scales with effect from 01.11.2007. We compliment our members for the support extended to the Federation in achieving the improvements in Pension Ceiling with least investment of our organisational actions. We have to continue our struggle to include half of PQP and FPP in the formula and also to achieve our other demands relating to "Superannuation Benefits".
2. Members/Affiliates may take note of the revised formula."

*With warm greetings,*

**(ANIRUDH AKHAURI)  
GENERAL SECRETARY**

OUR UNITY : ZINDABAD-ZINDABAD  
S.B.I.O.A. : ZINDABAD-ZINDABAD