



# FEDERATION OF SBI PENSIONERS' ASSOCIATIONS

Regn. No. S/17025 of 1986 Under Societies Registration Act 1860 (Delhi)

STATE BANK OF INDIA, SAMRIDDHI BHAVAN  
1, Strand Road, 'D' Block, 5th Floor, Kolkata - 700001

ALL LETTERS TO BE ADDRESSED  
TO THE GENERAL SECRETARY

No. .... 20/24-25

Date..... 06-06-2024

The D.M.D. (HR) & CDO  
State Bank of India,  
Corporate Centre,  
Madame Cama Road,  
Mumbai-400021.

Respected Sir,

## Pension/Family Pension Reforms

Pensioners/Family Pensioners of State Bank of India are being discriminated against on different matters vis-à-vis pensioners of Government Department and other entities in the banking industry. One among those discrepancies, the 40 : 50 imbalance in payment of pension between two groups of SBI Pensioners could be done away with the active support of who rules the roost of this great institution. But there are other issues to be settled to deliver justice to the pensioners and family pensioners of State Bank of India.

The following two issues have already been taken up by us, included in the discussion of last Corporate Centre level Structured Meeting held on 27.10.2023 at Indore :-

- Extending the compassion period of paying full pension to a family pensioner from 5 years to 7 years, as is prevailing in other banks and departments of Govt. of India.
- Stoppage of deducting the commutation value from family pensioners during the period of compassion. Such deductions are not made elsewhere and is being done here in violation of clear instruction issued by Govt. of India.

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Shri. J. K. Shaha  
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Now we submit the following issues :-

- (a) Value or Commutation and
- (b) Restoration of commuted Value of Pension.

It is worth mentioning that the pension scheme in State Bank of India is inherited from the related provisions of Bank of Calcutta, Bank of Bengal/Madras/Bombay and Imperial Bank of India chronologically. Hence, we have the oldest history of enjoying the benefit of a social security like pension after retirement but we are enjoying a lesser benefit than those of the bankers who got a Regulation only in 1995 although the scheme was introduced in 1993 with retrospective effect from 01.01.1988.

For a comparison, we give below the following Table of Commutation Factors for SBI Vis-à-vis other Banks.

Age as on Next Birthday	Factor in SBI @	Factor in Other Banks	*	@	+
51	9.81	12.95	57	7.85	11.10
52	9.48	12.66	58	7.53	10.78
53	9.15	12.35	59	7.22	10.46
54	8.82	12.05	60	6.91	10.13
55	8.50	11.73	61	<b>6.60</b>	<b>9.81</b>
56	8.17	11.42	62	6.30	9.40

As a result SBI pensioners are getting a much lesser amount of commuted value. The calculation as an example given below surely is an eye-opener.

An employee retiring at 60 years of age with a value of basic pension of Rs. 300/-, his commuted value of pension @ 1/3<sup>rd</sup> = Rs. 100/-

- a. In case of pensioner of other Bank -  $100 \times 9.81 \times 12 =$  Rs. 11,772.00
- b. In case of SBI pensioner -  $100 \times 6.60 \times 12 =$  Rs. 7,920.00





So, the difference in commuted value per 100 comes to Rs. 3,852/-.

The difference will be a jaw-dropping amount if calculated on the actual 'pay' of senior most subordinate staff, clerical and supervising staff, which cannot be calculated as some components of 'pay' as per 12<sup>th</sup> bipartite wage settlement are yet to be disclosed.

We want this discrimination, which was imposed on pensioners of State Bank of India, utilizing the myth of enjoying three superannuation benefits should be abolished. The myth could be busted successfully during the proceedings of the empowered committee constituted by DFS at the instance of related bench of High Court in Delhi to adjudge our memorandum on our grievances. The committee finally accepted the 40 : 50 divide in payment of pension in State Bank of India as an 'anomaly' as against the verdict of the committee headed by Shri G.C. Murmu, the then Additional Secretary, Department of Financial Service, Ministry of Finance, Govt. of India, who found the 40 : 50 imbalance as justifiable. Now Sir, after the myth of three retiral benefits has been ripped out, we would demand for a factor of calculating commutation value similar to pensioners of other banks for parity as assured in the sacred constitution of the country.

b. Restoration of commuted value of pension

The period of restoration of commuted value was fixed long ago, when interest rates were much higher, say 12%, than the present day rate of interest. Hence, the period of recovery has become subject of a scrutiny. While accepting the ground reality the Gujrat Government has already reduced the recovery period from 15 years to 12 years, vide their resolution No. NVT 102010/D/166/P dated the 12<sup>th</sup> October 2022.



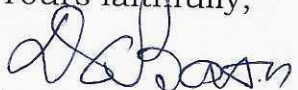
Further, in response to a joint petition made by a group of pensioners of Union Bank of India, the High Court of Punjab, Haryana and Chandigarh has issued an interim order restraining respondents from making further recovery where the petitioners have completed 10 years of retirement or above, a copy of which is enclosed for your kind perusal and record. It is obvious that the judiciary has weighed the balance of convenience while passing the interim order. Now if the judiciary considers 10 years time as enough to recover the commuted amount where the factor to calculate the commutation value is 9.81, what will be the actual recovery period for pensioners of SBI, where the factor to calculate the commutation value is 6.6 only is a matter to be adjudged carefully. It has already been shown above that per Rs.100/- pensioners of other banks are getting Rs.11,772/- while SBI pensioners are getting Rs.7,920/- at the time of retirement but both the group of pensioners are paying back the same amount of money; i.e. Rs.100/- per month for 15 years, which comes to  $(100 \times 12 \times 15) = \text{Rs.}18,000/-$ . At the cost of repetition we would once again draw your kind attention to the injustice being meted out to the pensioners of SBI, which demand a fair review.

In view of the foregoing we would request your good self to arrange for an in depth study and realistic evaluation to do away with the injustice.

Please treat this matter as urgent.

With regards,

Yours faithfully,

  
(Dipak Kumar Basu)  
General Secretary

Encl: As stated above



150 CWP-14058-2024

CHANDER MOHAN TANDON AND OTHERS V/S UNION OF INDIA  
AND ANOTHER

Present: Mr. Umang Narang, Advocate and  
Mr. Chandra Sekhar, Advocate for the petitioners.

Ms. Urvashi Dhugga, Senior Panel Counsel  
for respondent No.1- U.O.I.

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Notice of motion.

Ms. Urvashi Dhugga, Senior Panel Counsel accepts notice on  
behalf of respondent No.1 and seeks time to file reply. May do so. on or before  
the next date of hearing with a copy in advance to the counsel opposite.

List on 21.08.2024.

In the meanwhile, further recovery shall remain stayed.

While we have passed the said interim order in several cases  
restraining the respondents from making any recovery, it is clarified that the  
same would be a direction in cases where the concerned petitioner has  
completed 10 years of retirement or above.

Tag along with CWP-9426-2023.

(SANJEEV PRAKASH SHARMA)  
JUDGE

(SUDEEPTI SHARMA)  
JUDGE

31.05.2024  
malur gayal