



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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CIRCULAR LETTER NO. 27/133/2015/29

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**TO ALL OFFICE BEARERS, STATE FEDERATIONS AND
ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**10th Bipartite Settlement – Revised Pension & Commutation
for those retired between 1.11.2012 and 25.5.2015**

Since 10th Bipartite Settlement is effective from 1.11.2012, employees who have retired after 1.11.2012 are eligible to receive the arrears of the revised emoluments from 1.11.2012 till date of retirement. In addition, they are also eligible for revised pension and commutation and the difference amount will be paid to them.

Since the Basic Pay / Pay has been substantially increased due to merger of DA upto 4440 points, the Basic Pension also stands increased accordingly. On account of this, while the commutation amount would be increased substantially, the quantum of pension after such commutation would stand reduced to that extent.

Hence, a special provision has been added in the Bipartite Settlement (Clause 15) as under:

"Employees in service of the Banks as on 1st November, 2012 and who Have retired thereafter but before 25th May, 2015, and who had opted for commutation of pension will have an option not to claim incremental commutation on revised Basic Pension".

Hence such retired employees can exercise their option either (1) to receive the arrears of commutation and reduced pension or (2) not claim the arrears of pension and receive higher monthly pension.

The example given herein would explain the position clearly and would help such retirees to exercise their option as they desire.

With greetings,

Yours Comradely,

**C.H.VENKATACHALAM
GENERAL SECRETARY**

**PENSION – COMMUTATION UNDER 10TH BPS FOR THOSE WHO RETIRED
BETWEEN 1-11-2012 TILL 25-5-2015**

**EXAMPLE: SENIOR SPL. ASST WITH GRAD/CAIIB AT 8TH STG. INCRMENET – IN
A CENTRE 45 LACS & ABOVE - RETIRED ON 31-1-2014**

	9TH BPS	10TH BPS
BASIC PAY AT MAX	24,900	40,710
SPL. ASST PAY	1,180	1,930
PQP	1,230	2,010
FPP – INCREMENT PORTION	800	1,310
TOTAL PAY	28,110	45,960
BASIC PENSION – 50 %	14,055	22,980
DA FOR MAY 2015 – 110.10% / 33.30 %	15,475	7,652
TOTAL PENSION – without Commutation	29,530	30,632
INCREASE IN PENSION		1102
COMMUTED PENSION 1/3 OF 14055 / 22980	4685	7660
COMMUTATION AMOUNT	515,518	901,735
ARREARS OF COMMUTATION PAYABLE		386,217
BALANCE 2/3 BASIC PENSION	9370	15,320
DA ON FULL BASIC PENSION	15,475	7,652
PENSION FOR MAY, 2015	24,845	22,972
REDUCTION IN PENSION DUE TO INCREASED COMMUTATION		1,873
PENSION RECOVERABLE FROM FEB. 2014 TO MAY 2015 Feb. to July 2014 : 2000 x 6 = 12000 Aug to Jan 2015 : 1969 x 6 = 11814 Feb to May 2015 : 1873 x 4 = 7492		31,306
Arrears after adj. of pension recovery : 3,86,217 – 31,306		354,911
MONTHLY INTEREST On EXTRA COMMUTATION @ 10% P.A.		2,957
REDUCTION IN PENSION		1,873

IF THIS RETIREE EXERCISES OPTION NOT TO CLAIM THE INCREMENTAL COMMUTATION

	Received under 9th BPS	Receivable under 10th BPS
Pay	28110	45,960
Basic pension	14,055	22,980
1/3 Basic pension commuted	4,685	(no change) 4685
Commutation amount	515,518	(no change) 515,518
2/3 Basic pension	9,370	18,295
DA – May, 2015 on 14055/22980	15,475	7,652
Total Pension	24,845	25,947
Increase in Pension		1,102

There will no change in commutation amount, but monthly pension will increase

**EXAMPLE: DAFTARY AT 8TH STG. INCRMENET – IN A CENTRE 45 LACS & ABOVE
RETIRED ON 31-1-2014**

	9TH BPS	10TH BPS
BASIC PAY AT MAX	14,150	23,785
SPL. ASST PAY	340	560
FPP – INCREMENT PORTION	400	655
TOTAL PAY	14,890	24,345
BASIC PENSION – 50 %	7,445	12,172
DA FOR MAY 2015 – 110.10% / 33.30 %	8,197	4,053
TOTAL PENSION - without Commutation	15,642	16,225
INCREASE IN PENSION		583
COMMUTED PENSION 1/3 OF 7455 / 12172	2,482	4,057
COMMUTATION AMOUNT	292,181	477,590
ARREARS OF COMMUTATION PAYABLE		185,409
BALANCE 2/3 BASIC PENSION	4,963	8,115
DA ON FULL BASIC PENSION i.e. 7455 / 12172	8,197	4,053
PENSION FOR MAY, 2015	13,160	12,198
REDUCTION IN PENSION DUE TO INCREASED COMMUTATION		992
PENSION RECOVERABLE FROM FEB. 2014 TO MAY 2015 Feb. to July 2014 : 1120 x 6 = 6720 Aug to Jan 2015 : 1042 x 6 = 6252 Feb to May 2015 : 992 x 4 = 3968		16,940
Arrears after adj. of pension recovery : 185,409 – 16,940		168,469
MONTHLY INTEREST On EXTRA COMMUTATION @ 10% P.A.		1404
REDUCTION IN PENSION		992

IF THIS RETIREE EXERCISES OPTION NOT TO CLAIM THE INCREMENTAL COMMUTATION

	Received under 9th BPS	Receivable under 10th BPS
Pay	14,890	24,345
Basic pension	7,445	12,172
1/3 Basic pension commuted	2,482	(no change) 2,482
Commutation amount	292,181	(no change) 292,181
2/3 Basic pension	4,963	9,690
DA – May, 2015 on 7445 / 12172	8,197	4,053
Total Pension	13,160	13,743
Increase in Pension		583

There will no change in commutation amount, but monthly pension will increase