

All Branches / Offices of
State Bank of India,

Madam / Sir,

PAYMENT OF FAMILY PENSION
PROVISION FOR PAYMENT OF 'FAMILY PENSION'
TO PARENTS FOR LIFE

Family Pension Scheme was introduced in the Bank w.e.f. 01.01.1986. As per the extant provisions of Family Pension Scheme, family pension is payable –

- a) To widow / widower up to her / his death or remarriage, whichever occurs first.
- b) In case (a) above is not applicable, the eldest of surviving children in order of their birth up to the age of 25 years or he/she is gainfully employed, whichever is earlier.
- c) In case, beneficiary is an unmarried daughter, until she attains 25 years of age or is married or is gainfully employed, whichever occurs first.
- d) This process will continue till the last beneficiary attains age of 25 years or is gainfully employed or is married in case of daughter, whichever is earlier.
- e) To son or daughter for life if he / she is physically crippled or disabled so as to render him unable to earn a living even after attaining the age of 25 years.

2. In this connection we have been receiving representations from various corners to cover other close relatives including parents as beneficiaries within the ambit of 'family' for the purpose of eligibility for family pension. The issue has been examined in view of the fact that the lives of parents become pathetic and dismal in the absence of their lone earning ward who used to look after their livelihood as also by comparing the positions prevailing in the Central Govt. Departments and other PSBs. The Executive Committee of Central Board, in its meeting held on the 25th February, 2015, has approved widening of the scope of "Family" for the purpose of family pension by including the parents as beneficiaries. As such, the eligibility for family pension will be as per the following sequence:

- a) To widow / widower up to his / her death or remarriage whichever is earlier.
- b) Failing (a) above, the eldest of surviving children in order of their birth up to the age of 25 years or he/she is gainfully employed, whichever is earlier.
- c) In case of beneficiary is an unmarried daughter, until she attains 25 years of age or is married or is gainfully employed, whichever occurs first.
- d) This process will continue till the last beneficiary attains age of 25 years or is gainfully employed or is married in case of daughter, whichever is earlier.
- e) Failing (a) to (d) above, to son or daughter for life if he/ she is physically crippled or disabled so as to render him unable to earn a living even after attaining the age of 25 years.
- f) Failing (a) to (e) above, to the parents who were wholly dependent upon the employee when he/she was alive provided the deceased employee has left behind neither a widow nor a child. Among the parents, mother will have precedence over father.

3. The words 'gainfully employed' shall mean that he/she is either self employed or is otherwise employed and is earning from such employment, an income more than the amount of family pension to which he/she is entitled. Where the earning is less than the entitled family pension, the amount of family pension will be payable but be reduced by the amount of such income. Only those cases where parents are dependent and meet other conditions of eligibility for family pension at the time of death of the employee or his/her spouse, whichever is later, are eligible for pension.

4. The above modification in the provision for payment of family pension will be made effective from the date of ECCB approval i.e. 25.02.2015. Other terms and conditions in this regard will remain unchanged.

5. Please arrange to bring the contents of this Circular to the knowledge of all concerned.

Yours faithfully,

(ASHWINI MEHRA)

**Dy. Managing Director &
Corporate Development Officer**

