

State Bank of India
Corporate Centre - Mumbai

e-Circular

P&HRD.

Sl. No. : 423/2011 - 12

Circular No. :CDO/P&HRD-PPFG/51/2011 - 12

Friday, August 12, 2011.

21, Shravan 1933 (S).

**All LHOs / Branches / Offices of
State Bank of India**

Madam/ Dear Sir,

**REFUND OF PROVIDENT FUND
INTEREST ON DELAYED PAYMENT**

As per the existing procedure, the refund of Provident Fund is to be made on the day of retirement of the employee. As per the present instructions, in the case of superannuation, interest on delayed refund of Provident Fund balance is payable from the date of retirement to the actual date of payment of the PF balance if the **delay is due to administrative reasons and not attributable to the member**. Such overdue interest is paid at the same rate of interest as applicable to the Provident Fund account at the material time by debit to branch charges account.

2. In terms of the present instructions, **interest on delayed payment** of PF balance is **not paid in case the delay is caused due to late submission of duly completed application by the employee**.

3. At times, the employee is unable to lodge his claim for refund of Provident Fund due to various reasons such as ignorance of instructions, non-receipt of intimation from the Bank or preoccupation in job etc. In such cases, the Provident Fund balance may be refunded subsequent to the date of retirement of the employee. At present, no interest is paid on the delayed settlement although the fund remained with the Bank.

4. It has been decided that even in cases of delay attributable to the employee, on receipt of claim, interest may be paid at Savings Bank Rate (Staff) or at the rate of interest payable on the Provident Fund at the material time, whichever is lower, from the date of normal retirement to the actual date of refund of Provident Fund balance to the employee.

Please note to bring the contents of this circular to the notice of all concerned.

Yours faithfully,

Sd/-

For Deputy Managing Director &
Corporate Development Officer