

State Bank of India
Corporate Centre, Mumbai

e-Circular

P&HRD

Sl. No. : 153/2011-12

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Friday, May 27, 2011.

6th Jyestha, 1933 (S)

All Branches and Offices of
State Bank of India

Dear Sir,

**STATE BANK OF INDIA EMPLOYEES' PENSION FUND RULES :
REVISION IN PENSION OF ELIGIBLE MEMBERS OF THE FUND WHO
RETIRED / RETIRE ON OR AFTER 1.11.2007**

The Executive Committee of Central Board in its meeting dated 26.5.2011 have accorded approval for release of basic pension and dearness relief thereon to those eligible members of the Fund, who retired / retire on or after 1.11.2007, pending amendments in State Bank of India Employees Pension Fund Rules.

2. In this connection, the details of revision in pension and effective dates are set out hereunder.

i. Amount of Basic Pension :-

The maximum amount of pension for members of the Fund eligible for pension, who retired / retire while in service or otherwise cease to be in employment on or after 1.11.2007, shall be computed as under :

a. Where the average of monthly substantive salary drawn during the last twelve months' pensionable service is upto Rs.31,500/- p.m. (the maximum pay scale of JMGS-I)	at 50% of the average of monthly substantive salary drawn during the last twelve months' pensionable service (pro-rata in the case of part-time employees);
b. Where the average of monthly substantive salary drawn during the last twelve months' pensionable service is above Rs.31,500/- (the maximum pay scale of JMGS-I)	at 40% of the average of monthly substantive salary drawn during the last twelve months' pensionable service subject to minimum of Rs.15,750/- (pro-rata in the case of part-time employees).
c. While computing the amount of basic pension, the components of Professional Qualification Pay (PQP) and Fixed Personal Pay (FPP) are not to be taken as part of pensionable pay.	

ii. Amount of Dearness Relief :-

With effect from 1.11.2007, 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.

iii. Commutation of pension :

- a. The commutation of pension on the revised pension may be allowed with effect from 1.11.2007.
- b. The pensioners who have opted for commutation, on or after 1.11.2007, shall be eligible for commutation upto lumpsum payment of the fraction not exceeding 1/3rd 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 shall 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 advice about their eligibility. If the pensioner does not inform the Bank about his option within the stipulated period as above, he will forgo his right to claim commutation.

iv. 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 1.11.2007 salary scales) and partly revised pay (effective from 1.11.2007) consequent to last salary revision w.e.f. 1.11.2007. They will be guided 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 8th Bipartite for the period prior to 1.11.2007 and for remaining months on the basis of 9th Bipartite pay scales.

3. PPG Department of all Local Head Offices should calculate the revised pension and dearness relief thereon in all eligible cases and send their recommendations to PPG Department, Corporate Centre for approval of individual cases by the Trustees.
4. The all concerned are advised accordingly. The above instructions should be strictly adhered to. Other instructions in this regard shall remain the same.

Yours faithfully,

Sd/-

**for DEPUTY MANAGING DIRECTOR &
CORPORATE DEVELOPMENT OFFICER**