



BANK OF BARODA RETIRED OFFICERS' ASSOCIATION

(Estd. 1990 – Reg. No. G/4766/90)

Affiliated to: Retired Bank Officers' National Confederation, Bangalore



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01.10.2024

Circular to all BOBROA Members

Re.: Court cases regarding Restoration of Commutation of Pension after 10 years

Reg.41 of BOB Employees' Pension Regulations provides that an employee shall be entitled to commute for a lump sum payment of a fraction not exceeding one-third of his pension. The amount is calculated based on the Age of the Pensioner and a Factor – 9.81 at the time of normal superannuation.

Reg 41(5) provides that “ An employee who had commuted the admissible portion of pension is entitled to have the commuted portion of the pension restored after the expiry of a period of fifteen years from the date of commutation.”

In practical terms, the amount of commutation gets nullified after 15 years – during which period the commuted amount is reduced from the pension paid to the pensioner. Though the amount of commutation gets fully recovered in period less than 15 years, the reduced pension continues upto 15 years.

Aggrieved by such 'excess recovery', some court cases have been filed by individual members of our association and also of different Banks.

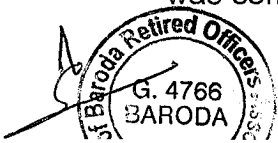
A brief note on the issue is given below:

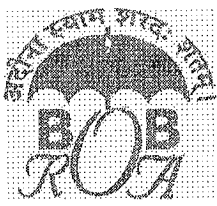
Few cases were filed by the Punjab State govt employees before the Pb& H High Court at Chandigarh regarding excess recovery of commuted value of Pension. SHILA DEVI & Others V/s State of Punjab & Others (CWP- 9426 of 2023). Later few employees of the State of Haryana also filed similar Petitions and obtained Stay on recovery for the petitioners.

Subsequently employees of various organizations of Insurance Sector, Central Govt, PSU, and Public Sector Banks also approached the High Court

In all these cases, the High Court had given interim stay for further recovery till the next date of hearing. In one of the petitions CWP 14003 of 2024, The Court had specified “ while we 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 of retirement or above.

14 pensioners of BOB had approached the Court and obtained a Stay on recovery. This was complied by the Bank and after issuing necessary letter to these petitioners.





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Subsequently, 91 pensioners of BOB filed a Writ Petition in the High Court and a stay had been obtained. Bank, in their own wisdom have not complied with the stay order which is similar to the earlier batch.

BOBROA took initiative and submitted a representation to the Bank under the banner of the united Forum of BOB Retirees Associations as soon as the first stay was obtained, requesting the Bank to implement the Stay **for all pensioners**, followed by subsequent reminders.

We have come across a Govt order by the Govt of Punjab announcing a general guidelines, restoring the commuted value for those who have completed 10 years of pension till the outcome of these cases.

On 21-Aug-2024, the High Court has ordered categorisation of all the petitions into 7 categories. One of such category is Public Sector Banks. The Court had directed that henceforth there would be only ONE reply to be filed in each category instead of each case number. The next hearing in the matter is scheduled on 18-OCT-2024.

We also understand that a stay had been obtained by a pensioner of IOB from Allahabad High Court and Union Bank Association had also obtained a stay from Telangana High Court.

We observe that the 5th Pay Commission had recommended reduction of this period to 12 years, though the Govt hadn't accepted the same. (Some of the State Govt like Orissa and Gujarat have reduced the period.) The subsequent Pay Commissions have NOT made any such recommendation.

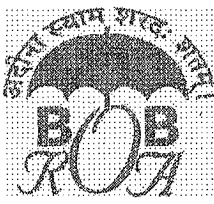
The GOI had informed in parliament that there is no consideration at their level about reduction of the period and also stated that the Supreme Court had accepted the 15 year period. In 2019, a 2 Judge Bench of the Delhi High Court refused to interfere with the Factor Table or the period of 15 years. The appeal made to the Supreme Court was also dismissed (8852/2019)

Our Apex organisation – AIBPARC had considered the issue at their end and have come to a conclusion that it would not be feasible for them to file a case as it would require them to submit a list of all the members -basically of the constituents. AIBPARC had also left it to the individual constituent to take a decision at their end regarding filing of case, while they would continue to place their demands to the GOI and IBA for reducing the period from 15 years.

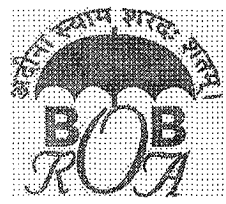
In the light of the above and to take a stock of the situation, a meeting of the Central Core Committee Members of BOBROA was convened on 28th Sept., 2024.

This meeting has suggested that BOBROA should wait for the outcome in the Hearing at Punjab & Haryana High Court on 18-Oct-2024 and take further steps as would be necessary at that time. There was also a suggestion that BOBROA should be prepared to take immediate action after the said hearing – including option of impleading into the existing case or a fresh case be filed.





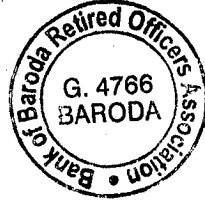
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While BOBROA is fully cognisant of the issue, we assure our members that we shall take further course of action after the High Court hearing on 18-Oct-2024 and the issue would also be discussed further in the upcoming Governing Council meeting to be held in Nov. 2024.

Regards,

J.G. Lakhawala
General Secretary



Place: Vadodara

Date: 01.10.2024