



विश्रान्ति VISHRANTHI

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CANARA BANK EMPLOYEES' PENSION FUND
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SPECIAL COMMUNICATION TO EX- EMPLOYEE PENSIONERS WHO WERE IN THE SERVICES OF THE BANK AS ON 01.11.2022

As per XII Bipartite Settlement (BPS) / IX Joint Note (JN) signed on 08.03.2024, the pension/family pension of Ex-employees who were in the services of the Bank as on 01.11.2022 and retired or died thereafter shall be eligible for revision of pension and also Incremental Commutation subject to exercising of option for availing the same or otherwise.

We are furnishing here below the gist of the said BPS/JN relating to pension matters and also the procedure to be followed for exercising option to avail / not to avail the Incremental Commutation.

Revision of Pension to Employees who were in the services of the Bank as on 1st November 2022 and have retired thereafter consequent to the wage revision as per XII BPS / IX Joint Note dated 08.03.2024.

- Wage revision of Workmen Employees and Officers in terms of Bipartite Settlement / Joint Note was signed between IBA on behalf of Bank Managements and Unions/Officers Associations on 08.03.2024, which provided that w.e.f. 01.11.2022, the 'PAY' so revised and drawn by the eligible employees who are members of the Pension Fund shall be taken into consideration for the purpose of calculation of pension as per the Pension Fund Rules/Regulations in force.
- Consequent upon the above wage revision, the Pension, Dearness Relief, payable in respect of only those employees who ceased to be in the service on or after 01.11.2022 and eligible for pension, need to be revised pending amendments to Canara Bank (Employees') Pension Regulations, 1995.
- It may be noted that by exercising option to avail incremental commutation, the Revised Basic Pension after deducting the commuted portion together with Dearness Relief (D.R) shall be less than the pre-revised monthly pension (including D.R.) to a certain extent. Due to such reduction in monthly pension after revision, some amount out of the pre-revised pension already paid will become in excess over the eligible revised monthly pension.

- Such excess amount of pension (including D.R.) already paid, over the revised pension (including D.R.) payable on revision, will be adjusted against the incremental commutation amount on revised Basic Pension and the balance amount of commutation will be paid to the pensioners.
- The incremental commutation amount is not taxable and the excess amount of pension recovered, if any, will be reduced from total taxable pension for FY 2024-25 for Income Tax purpose.
- As per the terms of XII BPS / IX Joint Note dated 08.03.2024, the workmen employees and officers who were in service of the Bank as on 1st November 2022 and who had retired thereafter and opted for commutation of pension, will have an option NOT to claim incremental commutation on revised basic pension.
 - The pensioners who desire **NOT** to claim Incremental Commutation on their revised Basic Pension may exercise such option in the link “**Option to avail Incremental Commutation on the revised Basic Pension as per the XII BPS / IX Joint Note**”, available at Bank’s website (www.canarabank.com) under Ex-employee section on or before 25.04.2024.
 - The pensioners who wish to avail the Incremental Commutation, **NEED NOT** exercise any option as above. If no option is exercised before 25.04.2024, then by default, it is treated as pensioner has opted to avail Incremental Commutation on the revised Basic Pension.

REVISED PENSION UNDER XII BPS / IX JN

The basic pension for employees who retired or died in service on or after 01.11.2022 will be revised on the basis of the revised “PAY” drawn w.e.f. 01.11.2022. Basic Pension will be fixed based on the average of the emoluments drawn in the last ten months preceding the retirement of the employee in terms of Regulations 2 and 38 of the Pension Regulations.

CALCULATION OF PENSION FOR EMPLOYEES RETIRED BETWEEN 01.11.2022 AND 30.08.2023

The pension payable to employees is based on the average of the emoluments drawn in the last ten months preceding the retirement of the employee in terms of Regulations 2 and 38 of the Pension Regulations. In the case of employees who have retired from the services of the Banks, on or after 01.11.2022 but before 30.08.2023, since the period of preceding ten months will constitute “Pay” both under this Settlement as well as pertaining to Settlement dated 11.11.2020, the following procedure will be adopted for determining Pension payable to them:

- For the period of ten months falling on and from 01.11.2022, the actual Pay drawn by the employee under this Settlement; and
- For the period falling prior to 01.11.2022 the actual Pay drawn by the employee plus Dearness Allowance at the rate of 30.38 percent thereon will be notionally reckoned as “Pay” for the purpose.

DEARNESS RELIEF (DR)

With effect from 01.11.2022, in respect of employees who retired or died while in service on or after 01.11.2022, Dearness Relief for the respective quarters are mentioned below:

DR RATES 11TH BPS AND 12TH BPS FROM NOV 2022

FROM	As per 11 th BPS			As per 12 th BPS		
	AVG INDEX 1960=100	SLABS OVER 6352	DA RATE @ 0.07%	AVG INDEX 2016=100	POINTS OVER 123.03	DA RATE @ 1%
NOV 22 TO JAN 23	8456	526	36.82	128.63	5.60	5.60
FEB 23 TO JULY 23	8704	588	41.16	132.43	9.40	9.40
AUG 23 TO JAN 24	8880	632	44.24	135.10	12.07	12.07
FEB 24 TO JULY 24	9124	693	48.51	138.76	15.73	15.73

EX-GRATIA FOR PENSIONERS

Under XII BPS / IX JN it has been agreed that some ex-gratia amount could be considered, for the current Bi-partite period i.e. from 01.11.2022 to 31.10.2027. The ex-gratia shall be paid as per the following matrix based on the Factor given hereunder for the different settlement periods. Such fixed monthly ex-gratia shall be payable for the month of November 2022 onwards during the period 01.11.2022 to 31.10.2027.

Retired during the period							
	4/5 th BPS	6 th BPS	7 th BPS	8 th BPS	9 th BPS	10 th BPS	11 th BPS
For Workmen	01.01.1986 to 31.10.1992	01.11.1992 to 31.03.1998	01.04.1998 to 31.10.2002	01.11.2002 to 31.10.2007	01.11.2007 to 31.10.2012	01.11.2012 to 31.10.2017	01.11.2017 to 31.10.2022
For Officers	1 st /2 nd JN 01.01.1986 to 30.06.1993	3 rd JN 01.07.1993 to 31.03.1998	4 th JN 01.04.1998 to 31.10.2002	5 th JN 01.11.2002 to 31.10.2007	6 th JN 01.11.2007 to 31.10.2012	7 th JN 01.11.2012 to 31.10.2017	8 th JN 01.11.2017 to 31.10.2022
	0.17	0.15	0.12	0.07	0.05	0.03	0.02

Note :

- Ex-gratia amount payable shall be the Basic pension attracting DA/DR + DA/DR paid for October 2022 multiplied by the Factor as provided in the above table after round up/down. To round up/down to the nearest 100, (i.e 49 and below shall be round down to lower hundred and 50 and above shall round up to higher hundred).
- Basic pension would mean the full basic pension as on 31.10.2022 (not the reduced basic pension after commutation).
- For part time employees, the ex-gratia shall be based on the basic pension drawn by them and DA/DR applicable on the Basic pension.

- **SUBMISSION OF INVESTMENT DECLARATION FOR THE FY 2024-25:** Ex-employee pensioners who want to opt for Old Tax regime have to give their request for the same by visiting the below mentioned link which is made available on our Bank's Website:

[ONLINE OPTION TO SELECT OLD TAX REGIME & SUBMIT INVESTMENT DECLARATION FOR FY 2024-25](#)

From the Financial Year 2023-24, **New Tax regime is the Default** Tax regime. Hence, if any pensioner is willing to opt for New tax regime, there is no need to submit any request/application. However, **pensioners who want to opt for the Old Tax regime have to submit the request to opt for Old Tax regime, and accordingly they are only required to submit Investment Declaration on or before 20.05.2024 and Investment proof in the month of December (on or before 31.12.2024), as hitherto.** The Income Tax Rates applicable under New & Old Tax Regime are enumerated in **Vishranthi Volume No. 38 dtd. 12.04.2023.**

- Option once selected for the purpose of TDS, cannot be changed during the Financial Year.
- **HIGHER TDS ON ACCOUNT OF NON-LINKING OF PAN WITH AADHAAR:** As per Section 139AA of Income Tax Act 1961, every person eligible to obtain Aadhaar and has PAN, must link his/her Aadhaar with PAN. If PAN is not linked with Aadhaar, higher TDS is being deducted from the monthly pension of such ex-employee pensioners from November 2023 onwards. Hence, Pensioners are requested to link their Aadhaar with PAN expeditiously.

With warm Regards

D Surendran
Chief General Manager

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"The positive thinker sees the invisible, feels the intangible and achieves the impossible."
– Winston Churchill

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