



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under Trade Union Act, 1926—Registration No.B-2334)

Registered Office & Head Quarters:

Post Box No. 528, State Bank of India Buildings, Bank Street, Koti, Hyderabad-500095

CIRCULAR NO. 50
TO ALL MEMBERS:

Date: 20.09.2012

FIXATION OF PAY TO EX-SERVICEMEN RE-EMPLOYED IN BANKS **TREATMENT OF MILITARY SERVICE PAY**

Please refer to our Circular No.29 of 3rd April 2012, reproducing the instructions issued by Indian Banks' Association (IBA) stating that Ex-servicemen re-employed in the Banks, who retired on or after 01.01.2006, are eligible for pay fixation in Banks based on the Pay drawn by them at the time of discharge from defence services which would include Band Pay plus Grade Pay but **does not include Military Service Pay (MSP)**.

Now, the Indian Banks' Association, on receipt of a communication from Department of Financial Services, Government of India, while stating that the above instructions **stand withdrawn** advised the Banks to follow the instructions stipulated in DOPT Office Memorandum No.3/19/2009 Estt. Pay II dated 08.11.2010, which is reproduced hereunder, in word and spirit.

(M.V. MURALI)
GENERAL SECRETARY

TEXT OF OFFICE MEMORANDUM No.3/19/2009 Estt. Pay II DATED THE 8th NOVEMBER 2010 OF MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, DEPARTMENT OF PERSONNEL & TRAINING (DOPT).

**Subject: Fixation of pay of re-employed pensioners -
Treatment of Military Service Pay**

The undersigned is directed to refer to the orders issued vide OM dated 5.4.2010 on fixation of pay of re-employed pensioners. These orders inter-alia lay down that on re-employment in civilian organizations, Military Service Pay shall not be admissible. However, the benefit of MSP given to all retired Defence Forces officers/personnel by reckoning it at the time of calculation of their pension (notionally in the case of pre-1.1.2006 pensioners) should not be withdrawn. Accordingly, while the pension of such re-employed pensioners will include the element of MSP, they will not be granted MSP while working in civilian organizations.

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