

Payment of Pension/Family Pension where the Punishment of Removal has been imposed

The Bank has received a letter dated 30.06.2015 from the Indian Banks' Association suggesting that the banks, which are parties to the Bipartite Settlement dated 10.04.2002, may consider implementation of the judgement dated 11.12.2013 of Hon'ble Supreme Court in Special Leave Petition No. 17054/2009 (Civil Appeal No. 10956/2013) - Bank of Baroda Vs Shri S.K. Kool. Hon'ble Supreme Court while deciding the issue of payment of pensionary benefits in case of those workmen who had been removed from the service of the bank under Clause 6(b) of the Bipartite Settlement dated 10.04.2002 has observed, inter alia, as under:-

“From a plain reading of the aforesaid Regulation, it is evident that removal of an employee shall entail forfeiture of his entire past service and consequently such an employee shall not qualify for pensionary benefits. If we accept this submission, no employee removed from service in any event would be entitled for pensionary benefits. But the fact of the matter is that the Bipartite Settlement provides for removal from service with pensionary benefits ‘as would be due otherwise under the Rules or Regulations prevailing at the relevant time.’ The consequence of this construction would be that the words quoted above shall become a dead letter. Such construction has to be avoided. An employee who has rendered a minimum of ten years of service and fulfills other conditions only can qualify for pension in terms of Article 14 of the Regulations. Therefore, the expression “as would be due otherwise” would mean only such employees who are eligible and have put in minimum number of years of service to qualify for pension. However, such of the employees who are not eligible and have not put in required number of years of qualifying services shall not be entitled to the superannuation benefit though removed from service in terms of clause 6(b) of the Bipartite Settlement dated 10.04.2002.

Hence, we are of opinion that such of the employees who are otherwise entitled to superannuation benefits under the Regulation if visited with the penalty of removal from service with superannuation benefits shall be entitled for those benefits and such of the employees though visited with the same penalty but are not eligible for superannuation benefits under the Regulation shall not be entitled to that”.

In view of the aforesaid judgement of Hon'ble Supreme Court and the clarification received from the Indian Banks' Association, it has been decided by the Bank to allow pension/family pension in respect of those workmen who have been inflicted with the punishment of “Removal from service with superannuation benefits i.e., pension, provident fund and gratuity as would be due otherwise under the rules or regulations prevailing at the relevant time and without disqualification from future employment” in terms of Clause 6 (b) of the Bipartite Settlement dated 10.04.2002.

It is further clarified that those employees who have not put in required number of years of qualifying service shall not be entitled to the superannuation benefit though removed from service in terms of clause 6(b) of the Bipartite Settlement dated 10.04.2002.

(Ref.: Personnel Administration Division Circular No. 277 dated 13.07.2015)